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SOCIAL PEACE

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DER GROSSBETRIEB EIN WIRTSCHAFTLICHER
UND SOCIALER FORTSCHRITT. Eine Studie
auf dem Gebiete der Baumwollindustrie.
Leipzig, 1892.

An English translation will appear early in 1894,
entitled, "THE COTTON TRADE IN ENGLAND AND
ON THE CONTINENT." Marsden, Manchester.

THOMAS CARLYLE'S WELT-UND GESELLSCHAFTS
ANSCHAUUNG. *Dresden*, Ehlermann, 1893.

SOCIAL PEACE

*A Study of the Trade Union Movement
in England*

BY

DR. G. VON SCHULZE-GAEVERNITZ

WITH A PREFACE TO THE ENGLISH EDITION

TRANSLATED BY C. M. WICKSTEED, B.A.

AND EDITED BY

GRAHAM WALLAS, M.A. OXFORD



LONDON.

SWAN SONNENSCHNEID & CO.

NEW YORK: CHARLES SCRIBNER'S SONS

1893

Dedicated
IN FRIENDSHIP AND RESPECT
TO
DR. ROBERT SPENCE WATSON
OF NEWCASTLE-ON-TYNE
THE SUCCESSFUL ARBITRATOR IN
MANY INDUSTRIAL DISPUTES
BY
THE AUTHOR

ERRATA.

- P. 15, line 2—for “55 George III., c. 96,” read “54 George III., c. 96.”
- P. 34, note—for “1 and 2 William IV., c. 37,” read “1 and 2 William IV., c. 39.”
- P. 55, line 1—for “revolutionary social,” read “social revolutionary.”
- P. 271, note—for “Rev. W. Barclay,” read “Rev. F. Barclay.”
,, —for “Rev. F. Morris,” read “Rev. W. Morris.”

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AUTHOR'S INTRODUCTION TO THE ENGLISH TRANSLATION.

THE book, of which the present work is an abridged translation,¹ contains nothing new or startling to the British reader, and has since its appearance met with a friendly reception in England. But it has not been so in Germany. "The development you have described," I am there told, "will lead to neither Social Peace nor Social Health, but is the first step in England's political and economic degeneration." "What we want," say the spokesmen of the capitalist middle classes in Germany, "is to avoid such developments, and we need, not freedom of combination, but penal legislation against the Socialists —," and much more to the same effect.

It may be not uninteresting to the English reader to learn the reasons assigned for the pessimistic views of the future of England, which did, and do, prevail in Germany. I was attacked on two grounds.

(1) That even granting that all I had said were true of the past, it was antiquated even when it appeared. It described the zenith of the "Old Unionism." But the spread of the "New Unionism," dating from 1889, pointed to nothing short of the recrudescence of the old "physical force Chartism." Since then the strictly revolutionary element had been steadily gaining ground in England. The peaceful continuity which had hitherto marked the development of her industrial history was broken, and a sanguinary outbreak was inevitable.

These criticisms were showered on me in a really dramatic scene at the Congress of the "Verein für Socialpolitik," at Frankfurt, in the autumn of 1890.² Representatives both of the German economists and the most important employers' Associations were present, and especially colliery-owners and iron-masters.

¹ *Zum Socialen Frieden*, 2 vols., Leipzig, 1890.

² *Verhandlungen des Vereins für Socialpolitik*, an 26th and 27th Sept., 1890, Leipzig, 1890.

Unfortunately there was not a single working man; although the Congress is open to all comers. My opponents declared that England was at that very moment on the eve of a great revolution. Happily my friend, Prof. Munro, relieved me of the necessity of a reply to these prophets of evil, by quietly remarking that "the day before yesterday he was in Manchester, yesterday he passed through London; but he had seen and heard nothing at all of the preparations which such an event would require, although he numbered many working men among his personal friends." He added that he hoped, on his return in a few weeks, to find his home still undisturbed. And once again, as has so often happened during this century, when the Continental observer prognosticated social revolution, the golden sun rose placidly over the unchanged and peaceable industry of the British nation. A few weeks later Prof. Munro went quietly back to his pleasant studious home.

The intervening years, in as far as they have thrown light on the problem, should have convinced my opponents of their mistake. The year 1889 was only in one sense a turning-point in the social development of England. The "New Unionism" very soon divested itself of that violent character which marked its first infancy, and the differences between it and the Old Unionism melted away as the younger brother carried on and developed the methods and tactics of the elder.

Nor is this less true of the economic than of the political aspects of the movement. The evidence before the *Labour Commission* shows how similar are the industrial methods of the New and the Old Unionism. Among the majority even of the newly organised workmen, "Conciliation" seems to be finding favour in an increasing degree.¹ Nor does the policy of the *National Miners' Federation* contain anything really new, although both practically and theoretically it is deeply interesting. The Federation, instead of recognising that mining royalties are immutable and profits sacred, is trying to establish a minimum, below which

¹ The work of the present *Labour Commission* is the more valuable from the wide field covered by its researches. It has had far more material available than its predecessors, largely owing to the excellent arrangement of the information received, due to the secretary of the Commission.

wages shall not sink even if prices fall ; while it is asserted that this would be possible if the mine-owners formed a syndicate to regulate production, prices, and wages, in conjunction with the men. But these ideas are as old as the labour movement among the English miners, and are actually contained in an address to the mine-owners of Great Britain and Ireland, issued on March 20th, 1844.¹ The new and significant point of the Federation policy is that it has brought demands which were hitherto merely ideals into the field of practical politics, showing how tremendous the power of the English labour movement has become. The very cursory glance cast at their policy in the following work is accounted for by the time (1888 and 1889) in which it was written, and is in no way due to an underestimate of the importance of the new movement. And again, from the point of view of politics, the distinction between the old and the new is not one of kind, but one of degree, corresponding to the superior importance of the present, as compared with the former, labour movement. In particular, John Burns, the head of the new movement, is on the point of verifying the prognostications I made even before the dock strike, for he is adopting more moderate, and therefore more effective, tactics. His appearance at the Trades Union Congress at Belfast, in 1893, was of great importance in this connection. He and his fellows have successfully avoided the danger which has assailed so many parliamentary representatives of labour on the Continent, who, despising small successes and political give and take, condemn themselves to isolation and helplessness against those middle-class opponents who will doubtless retain the upper hand for many a long day.

(2) But even if it is granted that the transition of power will go on peacefully in England, my opponents declare that whether the methods be peaceful or violent is of very little importance in the last resort. It is the actual transfer of power from the Middle Classes to the Democracy, which must of necessity entail England's

¹ The address is printed in a verbatim translation in volume xlv. of the *Proceedings of the Verein für Socialpolitik* (1890), p. 11 ; cf. in the same volume (p. 187) the speech of Lloyd Jones, the old Owenite and Co-operator, before Lord Derby as arbitrator (1879).

ruin. Two points come into prominence in this connection—the one economic, the other political.

In the first place, the victory of the workman in the economic struggle which is now carried on between him and his employer, would mean an increase in the cost of production, and therefore the flight of industry to foreign lands. And the English employers may have recognised and praised the Unions, when speaking to Dr. von Schulze-Gaevernitz, in the hope that he might infect their obnoxious foreign competitors with the disease they could no longer combat in themselves.

It was not easy to meet this objection. I endeavoured to do so in a second book, *Der Grossbetrieb* (Leipzig, 1892), in which I pointed out that, in the cotton trade, the oldest branch of the Great Industry, a gradual and continuous rise in wages, if it leads to an improvement in technical skill and appliances, is perfectly compatible with the industrial prosperity of a country.

Indeed, the countries and industries which pay the highest wages are generally the strongest in the competitive struggle; those which enjoy the advantages of "cheap labour" (e.g., Russia) are loudest in the cry for a protective tariff. The great industrial development of Germany during the last twenty years has gone hand in hand with a noteworthy advance in the workers' standard of living.

It must, however, be admitted that, where the power of the labour organisation is very great, there is the danger of benefiting not the Union, but the foreign competitor, by excessive and too hasty demands. And in this way it is possible for the English Unions to do themselves great injury. But do we not see how at the same time the economic insight of the Trade Unionists is increasing? Are we to assume that they will undermine the foundations of the industrial pre-eminence of England, on which alone the power of the English Unions depends? For there is no question that industrial disaster means social retrogression.

Turning to the political aspect of the gradual transfer of power, it must, say my opponents, lead to England's ruin. The workmen, they say, the successors to the faint-hearted aims of middle-class Radicalism, care simply for domestic politics, they repudiate any active foreign policy, and if they hold such views, the British

Empire cannot be held together. The growing influence of the working classes in Westminster will inevitably break up the political, and therefore the industrial, power of England.

I wish the representatives of these views could see the square shoulders of the English Trade Unionists, and trust to them that when once they have got command over the British World-Empire they will be able to hold their own. I do not believe, to use Mr. Drage's words, that the first step of the English Democracy would be its abdication.¹

For here again the English working classes inherit an advantageous position. We see how their gradual and peaceful attainment of power is due to the time-honoured foundations of English liberty. And since political power, and with it the advancement of British interests, is passing into their hands, the defence of their own and their country's foreign interests will inevitably bring them into conflict with the one despotic power which still constitutes a practical threat to the growth of freedom and the present social movement of the Continent. At the same time, unless the growth of the Continental labour movement is secured, that of England cannot permanently succeed.

¹ Cf. *Cyril*; by Geoffrey Drage.

THE AUTHOR.

HEIDELBERG, October, 1893.

NOTE BY THE EDITOR.

DR. VON SCHULZE-GAEVERNITZ, by himself consenting to write an introduction for his English readers, has made it unnecessary that I should do more than add a few sentences. My own part of the present publication has consisted in selecting for publication the economic chapters from a larger work (*Zum Sozialen Frieden*, Leipzig), which dealt with the many forms, economic, political and moral, in which the general movement towards social unity in England presented itself to an acute and industrious foreign observer during the years 1889-90. At the same time I have been able to give Miss Wicksteed some small assistance in her rendering of technical terms, etc. With the exception of a few notes, I have made no attempt to bring the facts of the book up to date. To do so would have required, even if I had possessed the preliminary qualifications, a tour of inquiry as long and as laborious as that which the author undertook four years ago.

GRAHAM WALLAS,

PREFACE TO THE GERMAN WORK.

THE German Empire was founded. After a dire struggle the national aspirations of the German people were fulfilled. But on their very entrance into the complete possession of their heritage, many of the noblest sons of Germany began to question what task remained for her to undertake. Was there still a common aspiration to take the place of the struggle for nationality as a school for the subordination of the individual to the community? And, in truth, the facts seemed to justify these anxious questions. Pleasure-seeking and the passion for "getting on"—practical and theoretical materialism—seemed to have overtaken the generation that had entered into the heritage of a Germany in the front rank of the intellectual and political powers of the world. And yet the problem that was once more to give a common direction to German thought and action was already there. The social problem, at first unheeded, struck with iron hand at the door of a society which seemed to be a prey to ambition and lust of gold. With the energy of a fight for life, it forced the most reluctant to attend.

The colossal movement which took its rise amongst the skilled workmen of the great industries and is pervading all the lower strata of society, seems to threaten our whole civilisation by its attack on the existing system; and the more so inasmuch as it wears in some respects the character of a religious movement. Every martyr to the

cause strengthens it, and force avails little against it. How is the danger to be escaped? Under what circumstances will the heritage, which embraces our highest spiritual and moral good, and for which we, as its guardians, are answerable, be secured? Only when the movement which threatens to overwhelm German society has assimilated the national aim to itself, and, instead of fighting the existing order, incorporates and further develops it. We seem to be further than ever from this solution of the problem. It demands an almost unattainable degree of penetration from both sides, together with a large measure of individual self-control. The Masses must acquire the insight needed to perceive that human progress can only be gradual and peaceful, since it consists in the exaltation, not of a few individuals, but of each and all; that an ideal state of society can never be attained at a blow by external change; and that progress consists in the development of what already exists. Any other conception is hopelessly irrational—above all, in this century of historical research and evolutionary thought. And the Classes, on their side, must gain an insight not less difficult to attain, in order to see that a new era, with new requirements, has actually come, and that it is impossible to “put new wine into old wine skins.” But at present the prevailing feelings are overweening pride on the one side, and distrust and hatred on the other. The people fall into two nations, between whom, as *Lord Beaconsfield* said of his own country, “there is no intercourse and no sympathy, who are as ignorant of each other’s habits, thoughts, and feelings, as if they were dwellers in different zones, or inhabitants of different planets.”¹ The German people must become *one* nation again.

The possibility of this is shown by the history of a nearly related people, whom economic causes brought face to face

¹ *Sybil*, end of ch. v.

with the vital question half a century earlier than Germany. This is why I attach a quite special interest to the social development of England, and come before the public with the following work devoted to it. But though I trust such a study will help to enlighten public opinion in the Fatherland, and to bridge over the gulf which divides the classes, I wish it to be understood at the outset that I am no advocate of blind imitation. It is true that similar industrial conditions will produce corresponding organisations of society, which again will give rise to similar remedies for similar social evils. But neither must the differences be overlooked. If Germany lacks the organised party system which England enjoys, she has, in spite of all divisions, a bond of union in the dynasty which has made the Empire and which belongs to no class, and in the Emperor, who has proved himself to be imbued with the spirit of the times.

In describing England as on the road to Social Peace, I mean that England is sure of a peaceful solution of her social difficulties and conflicts. No Englishman doubts it, be he on the Right or the Left, employer or employed. Nowhere do we meet the social pessimism so familiar in Germany, nowhere the belief among the lower classes that salvation can only come through the overthrow and destruction of the existing order, nor the idea in the upper classes that we have only to make sure of having done all that we can first, "so as to be able to draw our swords with an easy conscience." The knowledge, religion, and culture of the upper classes nowhere wakes the opposition of the lower, for it is their own knowledge, religion, and culture, and they are more and more conscious of being the heirs and participators of its blessings. Church and University stand impartially above the parties, as representatives of public opinion withdrawn from the political struggle; and the people, instead of looking askance at them

as class institutions, realise that they are a possession of their own, which they are more and more fully grasping. Amongst the English working classes, the economic investigator never meets that deep-seated mistrust which makes the German workman regard every man in a good coat as an enemy, if not a spy. The English people is one nation. It is this, and not a state of things which would leave no room to wish for improvement, and is really not of this world, that I mean when I speak of "Social Peace." The goal of the English Labour movement is still far off, its struggles are often hard and prolonged; but the efforts made to reach that goal are along the lines of the existing organisation of society. In fact, even when speaking of Social Peace, I have in my mind the industrial struggles between capital and labour, the strikes and disputes, which, as we shall presently see, come, in the course of the industrial development, to be carried out by peaceful methods.

Behind the growth in the outer forms of the social life lies an inner movement, which supports it and gives it unity, *viz.*, the vast revolution in thought which carried men from an individualistic political economy and a utilitarian philosophy to an organic view of society and of the place and duties of the individual. *Buernreither* designates this as "the postulate necessary for the comprehension of all the social institutions and endeavours of modern England."

THE AUTHOR.

HEIDELBERG.

SOCIAL PEACE.

PART I.—INTRODUCTION.

CHAPTER I.

ENGLAND BEFORE THE REVOLUTION.

To England, as to other countries, the turn of the eighteenth century brought a revolution, though in her case not a political one. Hitherto, in spite of differences of constitutional forms, England had rested on the same foundations as the Continental States. Both economically and politically agriculture held the first place—economically inasmuch as it was the main source of the national income, and politically inasmuch as it monopolised the power both in the central and the local administrations. The only difference was that in England, in spite of the preponderance of the agrarian interest, commerce and the Colonial possessions had already raised industrial capital to a position of far more consequence than it held on the Continent.

The few statistics of any value which we possess concerning the occupations of the population reflect this industrial distribution of society. In his table of occupations for 1688, Gregory King¹ assumes there are 1,935,520 persons dependent on agriculture; 244,000 engaged in trade; 240,000 engaged in handicrafts. Under the first head are included 180,000 families of freeholders averaging $5\frac{1}{2}$ persons per family, i.e. 990,000 persons alto-

¹ *National and Political Observations and Conclusions upon the State and Condition of England.*

gether. If we take the annual income of the nation the figures appear even more favourable to agriculture. We have £23,100,000 as the income of the agricultural interest, as against £4,200,000 made in trade, etc., and £2,400,000 made in handicrafts.

According to King, the towns at that time contained little more than a quarter of the population, a state of things which was only by slow degrees modified in favour of towns and manufactures. Defoe, in his *Tour through the whole Island of Great Britain* (1725), says¹ that the wheat exporting and manufacturing counties south of the Trent were the richer and more populous; whereas at the present day the North of England has become the headquarters of English industry, and therefore of capital and population. In the course of last century, it is true, manufactures gradually gained in importance, but the centre of gravity still remained in the cultivation of land. It is a proof of this that most of the manufactures were still organised by the guilds for home consumption, and only those whose raw material was the produce of home agriculture showed any considerable export. Thus the woollen trade, which worked up English fleeces, was particularly flourishing, and in the year 1770 made up one-third of the entire exports.

The political and social system corresponded to the industrial conditions. Political power followed possession of the soil. It must be noted in this connection that the protection which the English kings² had extended to the peasantry as long as they had an interest in maintaining their fighting power, disappeared as soon as the idea gained currency (in Marlborough's time) that funds are the sinews of war. The result was the disappearance of the free pea-

¹ In the preface.

² In the same way the Prussian kings at a later period protected their peasantry. For their policy in this matter see G. F. Knapp, *Die Bauernbefreiung* (Leipzig, 1887), and for the effects of the failure of such a policy, Dr. C. J. Fuchs, *Der Untergang des Bauernstandes und das Aufkommen von Gutsherrschaften in Neuvorpommern und Rügen* (Strassburg 1888). For the peasant policy of the English kings see Faber, *Die Entstehung des Agrarschutzes in England*, p. 90, 91, (Strassburg, 1888).

santry, which began in the seventeenth and continued through the eighteenth century. The government of England was in the hands of the greater landholders, who allowed a certain amount of influence to the merchant classes, especially of the city of London. This was the basis of that remarkable Constitution which, beginning at the time of the Restoration, was further developed after the accession of the House of Hanover, and which, though it was for a long time imperfectly understood, was yet the admiration of all Europe. Not only in Germany but in England herself the foundations of a true comprehension of this Constitution were laid by Gneist. As in the ancient republics, public rights and offices were the privilege of a limited number of propertied citizens. Amongst these, however, the first place still belonged to the nobility and gentry, whose power was strengthened by frequent intermarriage with the rich merchant class; for they were less restricted by class feeling than the Continental nobility. Their lands were kept together by entail, while their possessions were increased by the great influx of capital from the Colonies. The supremacy of the landed proprietors, led as they were by the great nobles, took shape in the well-known administrative system of the county magistracy. The offices accruing to their rank gave them control of public administration and justice, as well as military power. The following statistics supplied by Gneist show the limited character of the franchise. In the last century the number of voters reached at most 200,000, who were, almost without exception, engaged in the local administration. In England and Wales, towards the end of the century, there were 3800 County Justices, twice as many gentlemen acting as officers of militia and deputy-lieutenants, 10,000 jurors, about 100,000 persons serving as constables, surveyors of highways, churchwardens and overseers of the poor, and the same number connected with the assessment of taxes, making in all a number somewhat exceeding that of the voters.¹ So, too, the militia lay in the hands of the governing classes, for by a law dating from the Restoration a high property qualification was re-

¹ Rudolf Gneist, *History of the English Parliament*; tr., A. H. Keane, p. 323 (London, 8vo., 1889), p. 299 in the original (Berlin, 1886).

quired for officers alike in the militia and in the Local Government. The system of purchase had the same effect on the regular army.¹ The celebrated Parliamentary system arose upon this foundation. It was a thoroughly aristocratic institution, by means of which the upper classes worked the engine of State. The social strata we have mentioned above were represented in both houses. The lower House was effectually confined to a representation of the propertied classes, that is, the country landholders ;² not only by the small number of voters, but also by the high property qualification necessary for membership (to which moreover no salary was attached), by the system of patronage and the bribery necessary for an election, and finally by the great number of rotten boroughs, that is to say, decayed constituencies formerly controlled by communities which had now declined, or entirely disappeared, leaving them at the personal disposal of the landlords. And yet again in the Upper House the great landed families of the kingdom were directly represented by their chiefs. Their power was the more real, because they were still bound by the closest ties to the places from which they took their titles, and for the most part held the highest posts in the county administration. Nobility, as Gneist expresses it, was still an office, and had not degenerated into a mere title.³ Upon these foundations the English nobility and gentry, together with the London merchants, reared the most imposing aristocracy that Europe has seen since the days of the Roman Republic. All the phenomena which belong to an aristocratic form of government and conception of society repeat themselves here. There was enormous external expansion, for it was now that the British "World Empire" arose, overcoming in the struggle for Colonial supremacy, first Holland, and then the more dangerous rivalry of France, and laying the foundations of the Indian Empire. All this was a preliminary condition of the whole social development of England from that day to this. But we cannot ignore the other side of the picture, the

¹ Gneist, trans., p. 332 ; original, p. 306.

² Gneist, trans., p. 334 ; original, p. 307.

Gneist, trans., p. 316 ; original, p. 345.

dark shadow that haunts every aristocracy ; the exploiting of the lower and weaker classes by the upper and stronger. The spirit of this administration is shown by the restrictions on emigration, the laws against combination and the mobility of labour, the laws of entail and primo-geniture,¹ and by the corn bounties established in 1689. During the years 1740-51, £1,515,000 was paid in corn bounties.² At the same time, as long as the leading interest, that of agriculture, was not prejudiced, and still more in instances like the wool trade where agricultural and manufacturing interests were protected together, a perfect cornucopia of political protection and encouragement was emptied over trades and handicrafts. Indeed, these were the very trades which, according to the ruling mercantile theory, brought gold into the land, and were therefore the most important to the State. The extent to which this system of State nursing was carried is shown in the regulation made in the interests of the woollen trade, that no corpse was to be interred without a woollen shroud. Even death must serve that industry upon which, as they thought, the wealth of England—that is, of the English aristocracy—rested.

The position of craftsmen had been authoritatively regulated on the principles of administrative control. The Elizabethan Statute of Apprentices (1562) limited the number of apprentices in each trade, and thus secured employment to the trained workmen. Where these regulations were observed, the workman did not suffer much from the denial of the right to determine the conditions of his own employment. But it was the mercantile spirit of the current industrial policy which hastened the rise of the Great Industry, and so broke down the older regulations which were incompatible with its expansion.

Commerce enjoyed the special patronage of the ruling classes, since they were closely allied with the rich merchants. Commercial interests gave the key-note to foreign policy, and it was not without

¹H. J. F. Schulze: *Nationalökonomische Bilder aus Englands Volksleben*, Jena, 1853, p. 137, *eqq.*

²*Statutes at Large*, 1 W. & M., c. 12.

reason that England's foreign policy during the last century, guided principally by the House of Lords, was characterized as "a policy of shopkeepers."

The commercial spirit invaded even rural life, which heretofore had been regulated by tradition. The merchant class invested their wealth in land, in order to gain political influence; and on the other hand the great landholders, by engaging in foreign trade, became merchants. The principle that every one should get as much as he could from others, a principle originally applied to the enemy, that is the stranger, and hence by an easy transition to trade, was now carried into the relations of agrarian life. The rent of land which in many cases had been merely a formal recognition of ownership, was now raised to the maximum it would bear commercially. Yet again, the bounty on corn gave the character of an export industry to agriculture.

This penetration of the relations of town life into the country districts was one of the main causes of the disappearance of small landholders. But the ruling classes did not fail to hasten the indirect action of such causes by legislative enactments tending to suppress the smaller estates in their own interest. The numerous Enclosure Acts, and the frequently unjust and arbitrary manner in which they were carried out, first claim our notice in this connection. The peasant class of England which had once conquered France, and which had still shown its mettle in Cromwell's battles, was already declining at the time of the Restoration; but it did not completely disappear till the era of exclusive parliamentary supremacy, when the immense fortunes, which accrued to the upper classes through foreign trade and Colonial enterprise, were invested exclusively in land.

As in ancient Rome, the citizen and the landholder are no longer personally engaged in the processes of agriculture. The word farmer, which was originally applied to the tenant, now signifies anyone who personally undertakes the cultivation of the land, and in our own day the word is applied in England, and still more freely in America, to the cultivating owner as well as to the cultivating tenant; and by "landlord," again, we no longer

understand what the word literally expresses, any owner of land, but a landed proprietor drawing his income from rent. The alteration in the meaning of these words corresponds to the economic change.

The present state of ownership in England, developed mainly in the last century, appears in the following statistics, which show how entirely unlike it is to anything in the rest of Europe. About 7,000 landowners possess between them 10,911 estates of more than 1,000 acres each, making more than four-fifths of the arable and pasture land of the United Kingdom, and the nobility possess nearly a quarter of the land.¹ Moreover, Gneist² says that, in Scotland, five peers possess a fourth of the entire land, while half of England is in the possession of 150 persons, half of Scotland in that of 75, and half of Ireland in that of 35. The English aristocracy, like that of ancient Rome, has, indeed, abused its power of forming *latifundia*, and the disastrous consequences have only been averted by an economic revolution which has thrown the whole agrarian interest into the background, and has made the power and greatness of England depend upon entirely different factors.

This revolution was furthered by a peculiarity of the pre-revolutionary society, which we cannot pass over without leaving this rapid sketch too incomplete. The aristocratic organisation of society in England had not the subjective support on which the old feudalism had rested. No conception of the world based on religious faith corresponded to it, nor was there any inner consciousness of dependence and attachment on the part of the subordinate classes towards the ruling spiritual and political powers. It was severed from the Middle Ages by a revolution which had once for all called upon the individual to assert himself against authority, and had roused the people down to the lowest strata. Thenceforth the instincts of the race, no less than its philosophy, had been individualistic. Indeed, at the very moment when the English aristocracy was strengthening its political and

¹ Arthur Arnold: *Free Land*, chap. i.

See Gneist: note on p. 333 of translation, p. 342 of original.

economic position with might and main, it was from England that the ideas issued which were to direct a new and more strenuous attack against every authoritative organisation of society. "France has been the interpreter between England and mankind," says Macaulay in his essay on Walpole, and this admirably characterizes the part played by English writers of that time, such as Bolingbroke, Shaftesbury, and Locke, in the preparation for the coming revolution. The influence of English philosophy on Voltaire and Kant is well known.¹

It was in England that a consistent development of the impulse given by the Reformation first led to the recognition of the individual as the standard of human thought and will. From the "Levellers" onward, sceptical views had rapidly developed as the waves of the religious movement subsided, and had invaded the upper classes more especially. As it was not the power of ideas, but self-interest and bribery, which had accomplished the "Glorious Revolution" of 1688, so neither was it ideas but merely personal motives which influenced the English society of the eighteenth century. The full consequences of an individualistic view of life were not indeed yet carried into the field of politics—for the sceptic Bolingbroke combined with the Bishops in the endeavour to uphold the existing order of society—but in literature and philosophy we find the individualistic method of thought pursued to its final issues, Materialism and Utilitarian morals.

This discrepancy existing between the basis of thought and the social organisation is reflected most conspicuously in the philosophy

¹ Voltaire and Kant alike acknowledge English influence. Thus, Voltaire writes to Marmontel, "Je conviens que la philosophie s'est beaucoup perfectionnée dans ce siècle; mais à qui le devons-nous? Aux Anglais." See Laurent: *Études sur l'Histoire de l'Humanité*, xii., 320-422, 304. Kant (Rosencranz's edition, vol. 3, p. 9) says, "I freely acknowledge that reminiscences of Hume were what first awoke me from a dogmatic slumber, and gave my researches in the field of speculative philosophy quite a different direction." Frederic the Great also admitted that Voltaire owed everything to the English. Cf. Letter from Frederic the Great to D'Alenbert (Jan. 25th, 1777), given in the *Œuvres complètes de Voltaire*, 13 vols. (Paris, 1836).

of Hobbes. He is, according to Comte, the founder of the negative and revolutionary philosophy which "a foolish habit still ascribes to our [French] philosophers of the eighteenth century, who, in point of fact, were only its necessary popularisers."¹ Hobbes, himself a Freethinker and a representative of Sensational and Materialistic views, who had completely broken with the traditional spiritual authorities—one of the Illuminati in the fullest sense of the word—while thus appearing to free the individual, nevertheless subjected him completely to the omnipotence of the State. In the social contract taught by him, the individual reveals himself on the one hand as sovereign, on the other submits himself as a slave without rights or will to the power of the State. The State dictates the "law-sanctioned superstitions" which its subject must receive and practice, though in his heart he is left free to believe what he likes. The doctrine of Utility thus expounded, combines the purest subjective liberty with the completest despotism. Up to the present day Hobbes has been the father of all English freethinkers. His influence upon English society was immense, though here as always it is difficult to tell how far his teaching was anything more than a mere epitomé of the existing conditions and a reflection of society as he found it. The classes which gave the tone to society, though sceptical themselves, were bound by innumerable ties of interest to the State Church, which they still treated with outward respect. The Church with its enormous revenues served as an almshouse for the younger sons of the aristocracy. The lower grades of society, particularly in the country, were held in the toils of the traditional religious beliefs, and from the point of view of the upper classes kept in due restraint by them. The manufacturer, thrusting his way between these two as a *novus homo*, looked upon all religious doubt and speculative striving as "unpractical," views which more or less hold their ground in England to this day. Egoism, clothed in the garb of "respectability," was the only basis of morals in the upper strata of society, and was recognised as such for State and individual alike. In the former it took the shape of

¹ *Philosophie Positive*, vol. v., pp. 499, 500.

a system of bribery, of which the most prominent statesmen of that time, such as Walpole and Lord Bute, made unblushing use.

Such is the picture, rich alike in light and shadow, of England before the French Revolution. It is characterised by Agrarian Industry, Aristocratic Government and Individualistic Philosophy. This must always be kept in view if we would understand the present conditions of life in England ; for, though a new order has supervened, the old order lasts far into the present century, and is potent even in our day.

CHAPTER II.

THE RISE OF THE GREAT INDUSTRY.

THE revolution in the social life of England, which began in the second half of the last century and was completed in the first decades of the present one, must like all such changes be ultimately referred to economic causes. Not indeed that they are ever the sole factors of a revolution in society, as the Social Democrats would have us believe. Traditional ideas, or in other words the collective experience of earlier generations, must also be taken into account. Thus in England the transition from the aristocratic to the democratic organisation of society cannot be explained without reference to the individualistic views which had already grown up. But the actual impulse was given by an economic change, namely the introduction of the Great Industry. It was this that broke up, first the old manufacturing system, and then the corresponding political and social organisation. In this, as in other cases, the evolution was gradual, and the new system was maturing unobserved under the old forms. The meagre statistics at our command reflect the economic changes that were in progress. In 1688, Gregory King estimates the population of England and Wales at 5,500,520.¹ In 1750 it amounted to 6,039,684, in 1801 to 9,187,176. It is the rise of the manufacturing industry that finds expression in the growing rate of increase during the second half of the eighteenth century, and this is why the ratio of the urban to the rural population also increases in this period. Thus, according to Arthur Young, in 1770 half the population was already urban.

The ultimate ground of all this lay in the progressive transformation of the markets, for, according to Brentano, the mercantile²

¹ *Natural and Political Observations*, etc., p. 49.

² Brentano: *Die Ursachen der heutigen sozialen Not*. (Leipzig, 1839.)

trade policy by which the market system of the Middle Ages was transformed paved the way for a corresponding revolution in the methods of production.

The mediæval manufactures were regulated almost exclusively on the basis of local markets, which were protected by the difficulty of communication. The few industries which produced for foreign markets were protected there by special privileges. Under such circumstances the cost of production was scarcely operative, and wages could be kept at a high level, and independent of the fluctuations of the market. Every principle of the mercantile system tended to the suppression of privileges extended to the foreigner, while at the same time facilities of communication were constantly increasing; and thus a fierce competition took the place of secured markets. The accepted way to keep possession of old markets and to conquer new ones was to sell as cheap as possible, and to trust for profits to a mass of cheap commodities, rather than to goods of high quality and high price; and this meant reducing the cost of production as much as possible.

The consequences of this change are seen at a very early period in those industries which were especially arranged for external markets, namely cloth-making and weaving. It is here that it first becomes apparent that the old guild system of handicraft was incompatible with the necessity of reducing the cost of production. Well-to-do master-workers migrated to the country to escape the pressure of guild statutes, gave out their wool to be worked up by country hand-loom weavers, and thus founded an extensive cottage industry, which gave quite a new stamp to whole counties of England. This process begins very early. Even under Henry VIII. we hear complaints of the depopulation of the towns, and of laws—futile of course—to forbid cloth-making in the country districts.

Long before the introduction of the factory system the movements we have been describing had given rise to numerous disturbances amongst the weavers, and it is significant enough that they were all directed to the maintenance of existing laws. The dissatisfaction of the workmen was particularly roused by the

masters' neglect of the ancient Statute of Apprentices,¹ and in fact it was not infrequent for the adult workers to be thrown out of employment because of the number of apprentices, most of them children handed over by the parish authorities, who paid the masters a premium for taking them. The workmen avenged themselves by breaking the stocking frames, and by strikes, which were so frequent in the last century that it has been called the century of strikes.

The change we are dwelling on was most marked in the cloth-making industry, which, as already shown, was still the main industry of England in the eighteenth century. This came under Elizabeth's Statute of Apprentices, which was framed in accordance with the requirements of handicraft production. It provided that no one might work in an industry as a master or journeyman without having served seven years' apprenticeship, and the number of apprentices was limited to three to one journeyman; for every additional apprentice after the third there must be another journeyman.

The working day was limited to twelve hours in the summer, and to the hours of daylight in the winter. The agreement between master and man could not be made for less than one year. Wages were to be assessed yearly by the Justices of the Peace, and in such a manner as to "yield to the hired person, both in the time of scarcity and in the time of plenty, a convenient portion of wages."

These legal enactments corresponded to the actual conditions of an industry which was carried on by masters who had themselves served their apprenticeship, and in which the number of adult workmen was usually greater than that of the apprentices. In outlying districts this state of things was long continued. For instance, in Armley, a small weaving town of four to five thousand inhabitants, there were in 1806 only 17 apprentices, and of these only four were bound for a period shorter than seven years. Under these circumstances employment was regular, for when trade was bad, master, journeymen and apprentices hoped for better times, and worked to stock, supported meanwhile by the master.

¹ 5 Eliz. c. 4.

A breach in this state of things was effected, as we have seen, before the beginning of the last century, by the removal of the industries to the country districts where the law did not hold. For a time the cottage industry maintained itself, but the country weavers no longer worked on their own account, but for a merchant who supplied them with raw material. Then came the factories, built by the side of a river or stream, and the workers were brought together. At first the looms were hired in the mills by the weavers, afterwards they worked them for the mill-owners. Thus arose a class of employers who had never been apprentices. At first the cloth of these masters was not admitted to the public cloth-halls, but in 1796 the distinction was removed. Even in towns and places to which the Statute of Apprentices applied, one provision after another had for a long time past been falling into disuse. By 1720 the assessment of wages by the local authorities had been abandoned, and in the same way the regulations concerning apprenticeship sank into neglect.

The history of the "Institution of Halifax," founded in 1796, is interesting in this connection. It was an association of wool operatives extending over a wide area, and represents one of the earliest trade associations. Its object was the maintenance of enactments regulating apprenticeship, and the prosecution of those who disregarded them. Its activity was the more obnoxious to the employers of the Great Industry because many of the masters, some of them well to do, joined. It was not till 1799 that the great employers succeeded in getting the Anti-Combination Laws (39 George III., c. 88; 39 and 40, George III., c. 106) passed against this and similar societies. The workmen, however, succeeded in evading these laws by converting their Trade Union into a "Friendly Society." The "Institution," relying on the old Statutes of Apprentices (5 Eliz., c. 4; 5 and 6 Ed. VI., c. 22; 2 and 3 Philip and Mary, c. 11) secured repeated verdicts against the employers, till in 1802 the latter managed to secure a temporary suspension of these statutes; and although the Institution expended £10,000 in propaganda

and petitions, etc., in favour of the statutes, they were repealed in 1814. (55 George III., c. 96.)

It was naturally far easier for the Great Industry to break through the legal or customary regulations in the case of those manufactures which had never come under the statute of Elizabeth, such as the cotton industry, or which were only brought under it by royal charter, as for instance, weaving and outlery; for in these cases it was the company of employers which was instructed to carry out "the act of 5 Elizabeth, cap. 4, and all laws concerning apprentices and their employment in the trade." From the first an unrestricted number of apprentices was taken; and it is just here, therefore, that we meet with perpetual labour disturbances.

The rising Great Industry, while breaking down the old guild system on all sides, defended itself by the doctrines of the new physiocratic school. It took a superior point of view, and declared the old order to be an infringement of "natural right." The system of free contract which the physiocrats advocated, together with the right of terminating an engagement at short notice, thereby lessening the risk of the undertaker, was an outcome of the universal endeavour to reduce the cost of production. The employers made special use of Adam Smith's teaching when agitating for the abolition of the Statute of Apprentices.

The improvements in machinery, of which the invention of the steam-engine, in 1764, and of the power-loom, in 1767, are the most important, were not the cause of the economic changes—as has frequently been supposed, from Gaskell downwards—but the result of it. They may all be explained by the necessity which had arisen of reducing the cost of production as much as possible.¹

The cottage industry, which we have recognised as the link between the old guild organisation and the modern industrial

¹ Gaskell: *Artisans and Machinery* (London, 1836). This book is the chief source of Engel's well-known book, *Die Lage der arbeitenden Klassen in England* (1843); translated by F. K. Wischniewetzky as *The Condition of the English Working Classes in 1844* (London: Sonnenschein, 1892).

system, passed into the factory system by what were known as "public mills," where the looms were collected and let out to the weavers. Through the development of steam power, industry became less dependent on streams and rivers, and returned to the towns; for there, other things being equal, labour was to be had more easily, and in consequence of competition, cheaper. This explains the immense growth, at the end of the last century and the beginning of this, of many towns which had hitherto been insignificant villages. New centres of national life were formed, into which population flowed with wonderful rapidity. It was then that the great towns of to-day first appeared, and with them what Englishmen have significantly called the "atomic" condition of society; for this sudden fortuitous aggregation of human beings was not a living historical organism like the old counties and boroughs; and the individual is never more isolated than in the modern manufacturing town.

In the statistics of population this development is clearly reflected. From 1801 to 1839 the whole population increased rather more than 50 per cent.,¹ while that of the towns increased in a much greater proportion. According to some of Gaskell's statistics,² the population between 1801 and 1831 increased—

133 per cent. in Liverpool;

151 per cent. in Manchester;

161 per cent. in Glasgow.

The masses, without history or coherency, whose very existence was due to the manufactures, now faced the aristocratic organisation of England—as if to test the theory of the time which believed it could build up an ideal society out of the socially unsophisticated individual. It is in this antithesis that we must seek an explanation of the political development of the following decades, which changed England from an aristocratic to a democratic State. But before we pursue this subject we must notice that England was the first of all the European countries to undergo the great revolution brought about by the rise of the industrial system.

¹ *Artisans and Machinery*, p. 197.

² *Ibid.*, p. 199.

The reason lay in the fact that England, thanks to the policy of her aristocracy, was already the first commercial power in Europe, so that when the Great Industry rose in her, it had more immediate access to the markets of the world than it had in any other country. England's trade, shipping, colonies and capital were superior to those of any other country, and English industry was from the first equally superior in securing the foreign markets. In this connection we must note especially the enormous development of the cotton trade, which was dependent on the English colonies for the supply of raw material. True, it was not the cotton trade, as Gaskell and his followers have supposed, which first broke with the old industrial order, but the home manufactures, and particularly cloth-making; gradually, however, the cotton trade far outstripped all the rest. The importation of cotton and export of cotton cloth, and the concomitant increase of the population and importance of the county of Lancashire at the end of the last century, is almost past belief. During the years 1751-1771 the annual importation of cotton was doubled, in 1780-1800 it increased almost tenfold.¹ At the same time the export of cotton cloth had increased fifteenfold. And from that time onwards it was in the cotton trade that the effects of the new economic conditions found their earliest and completest manifestations. It was here, too, that the workmen suffered most acutely under these same conditions, and were foremost in all labour agitations, as later on they were the first to participate in the successes which the working classes obtained.

¹ Gaskell : *Artisans and Machinery*, p. 336.

CHAPTER III.

THE GREAT INDUSTRY.

I.—THE EMPLOYER.

WHAT then were the consequences of the revolution in the Industrial System? It gave rise to two classes of men, the modern employer and the modern workman. Both are *homines novi* in the fullest sense, "new men," unaccustomed to the conditions in which they find themselves, unable to adjust themselves thereto without years of dire strife and suffering. The workers had for the most part originally been country labourers, or men employed in the decaying cottage industries, and sometimes they were discharged soldiers. The employers, as Gaskell affirms, were almost entirely drawn from the same class. They were either working men, or men who had been engaged in cottage industries, and by their intelligence and energy had raised themselves above their fellows. Outsiders who brought capital into the trade almost always lost it in their competition with these "self-made men." Gaskell explains this phenomenon as follows :¹ "Neither will this fact be considered singular when it is remembered with whom the battle had to be fought. They had to oppose men who had a practical acquaintance with machinery, and who laboured themselves, assiduously and diligently, whereas the previous pursuits and education of the capitalist had unfitted him, in some respects, for that rapidity of action and quickness of calculation which were essentially necessary if he must keep pace with the daily improvements projected and carried on around him."

Thus the first generation of industrial chiefs, into whose hands

¹ Gaskell : *Artisans and Machinery*, p. 96.

the newly accruing capital streamed, belonged to the uneducated classes. We hear of them as rough and coarse. No member of the old aristocratic society would have allowed them to pass as "gentlemen." They were strangers to the etiquette, family traditions, and moral considerations, which impose some restraint on hereditary wealth. This explains the part played by the manufacturer in the novels of the period. He figures as an uneducated man, rude and gross in his habits, and in no way superior to the common workman in his pleasures. He flaunts his newly-acquired riches in tasteless extravagance, well aware that he is excluded from good society, unstirred by any nobler impulses.

The immediate object of the Great Industry was now the abolition of the old industrial regulations which protected the worker at many points. The local administration provided an excellent instrument for this purpose, especially through the office of Justice of the Peace which fell into the hands of the employers in the manufacturing districts. The consequence was that the old statutes which regulated the conditions of labour, and particularly Elizabeth's Statute of Apprentices, had fallen into disuse long before they were repealed. From the beginning of the Industrial Revolution the avowed object of labour agitations had almost always been if not to reinstate the old statute, at least to procure the enactment of new laws on the old lines. As long as the landed interest held the power, the industrial employers had to be constantly on their guard against jealousy of their rising wealth inclining the ear of the rulers to the demands of the working classes. And, in fact, some efforts were made in this direction, *e.g.* an attempt to regulate wages by law. But they were always frustrated by the incompetence of the magistrates.

Thus the system of administration was in the highest degree unfavourable to the working-classes. The employer, who exercised the functions of local government, was not united to the working-classes by the patriarchal relations which had formerly influenced the squire. He was the economic opponent of the men to whom he was supposed to represent the impartial power

of the State. Complaints were made on every side of the arbitrary and partial conduct of the Justices. The workman was treated with roughness and brutality. Mere poverty was enough to draw on him the suspicion of all possible crimes; his defence was not listened to, and if nothing could be proved against him, it was always possible to send him to the treadmill as "a rogue and vagabond." More especially it was the Justices of the Peace who made a dead letter of Elizabeth's Statute of Apprentices and the Act of July 29th, 1800, which though prohibiting combinations of working-men, expressly upheld the regulation of the occupations of workmen. In fact, the Justice of the Peace was unfitted to mediate between employer and employed, since he was one of the parties concerned, and when, later on, factory laws and similar regulations were made, it was found necessary to intrust their execution and the settlement of disputes connected with them to salaried officials.

The judicial system, although not so directly in the hands of the employers as the local administration and the jurisdiction exercised by the Justices, nevertheless showed the same tendency. The decisions of the courts, which the importance attached to precedent makes almost equivalent to legislation, gave the employers most efficient support in setting aside the old industrial organisation. The Statute of Apprentices in particular, originally framed for the whole country and every handicraft, received a limited construction. But even when the law was undeniably broken, the employer was hardly ever prosecuted. The courts of law served the interests of the employer almost exclusively, as they were practically beyond the reach of the unorganised workman on account of their enormous costliness. Thus the employer alone was in a position to appeal to the courts, until the working-men's organisations came to the rescue by placing them in a position to employ counsel and maintain their rights by law. The first of these workman's advocates was Roberts, who represented the miners of Northumberland and Durham, and whose services in the struggle against the truck system and in the proceedings against partial magistrates were highly esteemed.

Now that the system of public law handed down from the aristocratic England of the preceding century had left the workman of the new industry helpless in the hands of the employer, all that the latter still wanted was to confirm, and if possible to push, his advantage by securing political power for himself. It is true that as early as 1814 the employers had moved the legislature to an important step in their interest by procuring the abolition of the old Statute of Apprentices. For this they had to thank the indifference of the powerful landed interest, which did not see that it was immediately affected. In fact, the debates on the Bill were repeatedly interrupted by the House being counted out. The industrial employers did not yet, however, so completely control the legislature as to be able to make it an instrument of their class objects without fear of reaction from the jealousy of the landed interest. They therefore, wealthy as they were, constituted a radical and destructive party. The political demands of the industrial classes became more and more pressing as manufacturing industries grew in importance and agriculture dropped into the background. To overawe their opponents the industrial party made use of the masses in the towns as welcome allies. Here the radical bourgeoisie and the revolutionary proletariat, the forces to which can be traced all the movements which in our time shake the internal peace of Europe, were as yet undifferentiated.

The ruling class could not continuously withstand the onslaught of this combination, led, as it always was, by the powerful manufacturers, and the less so as they could not fall back for support upon any large body of peasantry. The agricultural wage-labourers already formed the chief part of the rural population. These men were no support to the existing order; but on the contrary, as soon as they began to think about politics, followed the movements of their brethren in the cities. Indeed, since the franchise has been extended to the masses, England has generally shown a more radical tendency in the county than in the borough elections—a fact which fills the Continental observer with wonder.

At the beginning of the century, however, these forces were far enough removed from the field of battle, for the struggle raged exclusively between the old aristocracy and the rising Great Industry, the great object of the latter being the control of the legal regulation of industry. The Reform Bill brought forward by Lord John Russell in 1831 marks the climax of this movement. The French Revolution of July had so much enhanced the desire for a democratic remodelling of the Constitution, and so generally excited the passions of the people, that England was not far from a violent upheaval. A private interposition of the king averted the worst, by bringing about the epoch-making vote of the Upper House on June 4th, 1832—a vote which was the virtual abdication of the old ruling classes. Nevertheless, the number of legal offences committed in connection with the Reform Bill agitation is estimated by Lord Grey at 9,000; against the majority of which no verdict could be obtained from the juries.

Herewith, in point of fact, England had passed through her political revolution. Though the outward forms were unchanged, the centre of gravity of the State had been completely shifted. When the middle classes of the towns, and in particular the industrial employer, became the dominant power, it was inevitable that the change in the Constitution should make the former system of local government more and more impracticable, for the manufacturer engaged in business had no longer leisure for honorary civic posts. It broke down first in the great centres of industry, and thus led to the transference of the duties of the magisterial bench to paid officials, a bureaucratic arrangement characteristic of the present organisation of English life. Obligations hitherto discharged in kind were now commuted or rather superseded by the one all-embracing obligation of providing through taxation for the necessary expenses of governmental machinery. From this time it became impossible permanently to withhold the franchise, at any rate from taxpayers. For hitherto the franchise had been exercised by corporate bodies, and the House of Commons had not been the house of "the commons" but the house of "the communes"; whereas now, as

Disraeli pithily expresses it, it had ceased to be an "estate," while the progressive decline of the magistracy, and the break-up of the elective bodies resting thereon, gradually approximated it to the type of the Continental "Volkshaus" or popular chamber. Thus the franchise ceased to be a social right, that is to say, a right dependent on membership of some corporate body, and became a personal right belonging to the individual as such.

On these grounds it was impossible for the class which had risen to power—that is to say, in the first instance, the manufacturers—to ultimately exclude from the Government the masses who were pressing upon them. The old social dykes were burst, and even the attempt to fall back on the principle of tax-paying as the qualification for the franchise could not permanently be successful. The Constitution was on the high road to Democracy, and could never halt until the franchise had become a natural right, subject to no conditions. But besides the political movements which centre round the Reform Bill, the intellectual movements of the time, and especially the so-called "classical" school of Political Economy, which was just then at the height of its authority, served to establish and extend the supremacy of the class of employers created by the new industry.

Not that Adam Smith, the founder of that much belauded and much denounced school, had consciously written in the interest of the employers. On the contrary, he is animated by a marked sympathy with the workers. But he belongs to another age. When with Turgot and the French physiocrats, he demands the abolition of all legal restrictions on labour, he is thinking of the monopolies of the guilds, and he makes the demand in the interests of the workers. How real his sympathy was is shown by the celebrated saying that was worked so hard in later controversies, that the employers are always in a "tacit combination to keep down wages."

But when half a century later than the first expression of these ideas Adam Smith was brought to the front, the Industrial Revolution had already taken place.¹ The freedom which was intended

It is significant of this revolution that the French working classes re-

to strengthen handicraftsmen against the small masters could not fail to sink them yet deeper when they were struggling with the great capitalist manufacturers. Adam Smith's teaching was exploited entirely in the interests of the latter, who, for instance, made no attempt to secure the repeal of the Combination Laws, which would have been as much in accordance with his teaching as that of the Statute of Apprentices.¹ On the other hand his followers, and in particular Ricardo, from the first considered the economic conditions solely from the point of view of the employer. It was impossible for Adam Smith to do this, for in his time the modern employer had not come into existence.²

The mercantile system had been as individualistic as the physiocratic school; in both, the well-being of the *individual* was the ultimate goal of human effort, and the difference between them was one of industrial policy only, *i.e.* of the methods which they advocated to reach that goal. In accordance with their individualistic basis, the classical economists only take the egoistic instincts of humanity into account, that is to say, the "wealth-acquiring instinct" and "sexual instinct." But it is one of their peculiarities, that, in complete accordance with the philosophy of their time, they substitute for the actual members of society, with their very varied endowments, a number of abstract, similar, and equally endowed individuals. Hence they deduced the desirability of free and universal competition, since each individual would naturally understand his own advantage best and would pursue it most diligently. It was imagined that if all were free to compete, social harmony would come of itself. If society was still far from that state, it was because the individual was not yet sufficiently emancipated, and the free

joined when Turgot abolished the guilds in 1776, whereas the repeal of the Elizabethan Statute of Apprentices in 1814 was carried out against the opposition of the English working classes.

¹ The Combination Laws were repealed in 1824 and partially re-enacted next year, owing to the outcry of nearly the whole of the manufacturers.

² See Brentano; *Die klassische Nationalökonomie* (Leipzig, 1888).

development of his powers was hindered by custom, tradition, and, above all, by State interference.

It is obvious that this is a doctrine for the economically strong and advanced, who alone could profit by the fiction of the abstract individual. The deductions from this theory, such as that the workman was merely selling a commodity, and therefore came under the laws of supply and demand, that wages were absolutely fixed as a quotient of population into available capital, must needs make every endeavour of the lower classes to improve their position seem the height of perversity. As these and other deductions from an erroneous principle were declared to be laws of nature, all State interference in economic conditions was to be deprecated. Thus arose a generation of "scientific politicians," who ought in consistency to have doubted whether there was any justification for their own existence. Up to the middle of this century any State regulation of labour was opposed on the contention that the poor man's "labour is his only property, and that to interfere with it—to restrict its sale by law—is to infringe fatally on [his] right."¹ On the same grounds every private endeavour to raise the working classes was looked on as useless. Lord Brougham, whose speeches may be taken as an expression of the average liberal opinion of the time, declares that charity is an interference with a healing process of nature, which acts by increasing the rate of mortality, and thereby raising wages. The Poor Law Commission of 1834 expresses the same view, that in order to abolish poverty the most important point was a legal prohibition of almsgiving.

The general rule of the action and reaction of cause and effect in all the phenomena of life is amply illustrated by the classical Political Economy and its degenerated offspring, known as the "Manchester School." On the one hand it appears as the outcome of the economic conditions, and of the spirit and purpose of the rising middle classes from the sixteenth century onwards, and on the other hand it reacted powerfully in its turn on the social and political conditions after the rise of the Great Industry. It

¹ H. Martineau: *History of the Poor* (1816-1846), bk. vi., ch. vii.

widened the gulf between the rich and poor, and furthered the rise of the one and the degradation of the other. The extraordinary influence of "Political Economy" springs from the fact that it was merely the industrial middle-class view of life thrown into the form of a theory, and above all, that it fully embodied the ideas of the first generation of employers, who thought there was no object to be pursued by the human will, other than the accumulation of capital, and who were not aware of the existence of anything which had not been produced for the sake of money, and which could not be valued in terms of money. Their relation to the workers was indeed "purely economic," they looked upon them, not as human beings, but as instruments for producing capital. The concrete conception of the worker was lost for them in the abstraction "labour." They were in the habit of talking, not of the men, but the "hands," they employed; the workers, collectively and individually, were regarded in this light and no other, and this point of view is most clearly expressed as usual by Ricardo, who says in the first book of his Political Economy:—

"To an individual with a capital of £20,000, whose profits were £2,000 per annum, it would be a matter quite indifferent whether his capital would employ 100 or 1,000 men, whether the commodity sold for £10,000 or £20,000, provided in all cases his profits were not diminished below £2,000. Is not the real interest of the nation similar? Provided its net real income, its rents and profits, be the same, it is of no importance whether the nation consists of ten or of twelve millions of inhabitants. Its power of supporting fleets and armies, and all species of unproductive labour, must be in proportion to its net, and not in proportion to its gross income. If 5,000,000 of men could produce as much food and clothing as was necessary for 10,000,000, food and clothing for 5,000,000 would be the net revenue. Would it be of any advantage to the country, that to produce this same net revenue 7,000,000 of men should be required, that is to say, that 7,000,000 should be employed to produce food and clothing for 12,000,000? The food and clothing of 5,000,000 would be still

the net revenue. The employing a greater number of men would enable us neither to add a man to our army and navy, nor to contribute one guinea more in taxes." Ricardo's theory of starvation wages, the so-called "iron law," is too well known to need mention here.

- It was doctrines like these which afterwards provoked Marx and his school into the assertion that dead capital had become the tyrant of living men, and the influence which that school has secured proves that the "instruments for producing capital" are not disposed to accept their treatment as such.

The views embodied by Ricardo had sunk into the very being of the English middle classes. Political Economy, so understood, was their pet study, as it has to a certain extent remained to this day; and it took the first place in all societies for popular instruction. Harriet Martineau even published some widely read stories, *Illustrations of Political Economy*, which endeavoured to popularise the doctrines of Adam Smith, Bentham, and Ricardo, by putting them into the form of tales. The spread of such teaching was looked to as the true means of solving the social problem, and in Germany we are still accustomed to hear the salutary course which the English labour movement afterwards took ascribed to the fact that there were "4,000 schools in England in which the elements of Political Economy were taught." The Englishman's love of natural science may have facilitated the popularising of Political Economy. Here he seemed to find the same fixity of prescribed laws, claiming to be the natural laws of society. They had, in fact, nothing in common. The laws of physical science are founded on induction, the "laws" of Political Economy were arrived at by a deductive method from that *a priori* conception of the abstract individual which was never corroborated by the facts—a method which recalls the Greek natural philosophers, who set to work to explain the universe from the nature of the atoms created by their own imagination.

By these laws of Political Economy, selfishness, which had hitherto been kept in check by some sort of moral considerations, was legitimised, nay, was proclaimed as the foundation of all

human action. The "scientific" employer regarded his relations with his workpeople as completely covered by the laws of supply and demand, and this in a time when the French Revolution had called in the guillotine to preach the doctrine that every human being has a right to be treated as an end in himself.

Malthus's teachings tended in the same direction, although his methods were historical and not deductive; nor did he recognise individualistic motives as the only ones to be considered. He appeals to moral impulses, representing self-restraint as a social duty, and trying to awaken a feeling of the responsibility incurred in bringing a human being into existence just as, at a later date, Mill is never tired of insisting on the same points. But in spite of all this the influence Malthus exerted tended to the almost unqualified support of Ricardo's wage theory.¹ He backs the rich in ignoring all responsibilities to the poor, and in considering their relations to them as fixed by the pressure of natural laws, with which it would be folly to interfere. In the words:

"There is no vacant cover for [the poor man] at Nature's mighty feast,"² Malthus has denied the right of a human being to the means of subsistence. "Nature" bids him begone, since he came into existence without first asking society if it would admit him.

These ideas were eagerly seized upon by the upper classes in their character of ratepayers. The Poor Law of Elizabeth (1601), which had hitherto been in force, was based on the principle that the maintenance of the poor was a legally binding public duty incumbent on the community. This idea, which was that of the modern administrative policy, was further developed in the

¹ At bottom, even Malthus considers the desire of the individual to seek his own advantage a much more practical and beneficial element of human society. In his *Essay on Population*, 7th ed. 1872, p. 492, he says, "Benevolence indeed as the great and constant source of action would require the most perfect knowledge of cause and effect, and therefore can only be the attribute of the Deity. In a being so short sighted as man, it would lead to the grossest errors, and soon transform the fair and cultivated soil of civilised society into a dreary scene of want and confusion."

² *Essay on Population*, 2nd ed., IV., vi., 531. This passage was omitted in the 7th edition.

eighteenth century, where we find it looked upon as the duty of the State to guarantee a minimum wage to the workman, a principle which, of course, corresponded to the further idea that labour was a duty owed by the workman to society, and as such could be demanded of him. A conspicuous instance of this is the so-called "Speenhamland Act of Parliament," an edict of the magistrates of Berkshire in 1795,¹ in which they adjusted the Poor-relief in a fixed proportion to the price of bread and the size of the workman's family, an arrangement which gave practical expression to the views of the period. Although this system served the turn of the landed proprietors, enabling them to shift the greater part of the wages of their workmen on to the ratepayers, now, with the development of industry and the rise of the enormous working-class, the Poor-rate grew so fast that it threatened to smother the State. In the year 1832 the Poor-rate had increased to £6,000,000, and in Cholesbury, a parish in Buckinghamshire, it grew, between 1801 and 1832, from £10 11s. to £367.²

It was on this account that Malthus was so eagerly seized upon. Doctrines which rejected all systems of Poor-relief as senseless must needs meet with the concurrence of those who were almost ruined by the Poor-rate. The argument word was that every attempt to bolster up the poor man was pernicious, since it supported the "superfluous population" whose existence was the ground of all poverty, nay, it even tended to its increase. All employment of the unemployed was to be avoided, since for each man taken into work some other must be thrown out of work, seeing that only a certain quantity of commodities could be consumed. Such were the views, supported by the authority of Malthus, which prevailed amongst the wealthy middle classes. They were expressed by the Poor Law of 1834, the leading idea of which was to frighten people away from poverty. Hence the introduction of "indoor relief," that is, support only given by admission to workhouses which differed very little from prisons. Carlyle designates them

¹ F. T. W. Fowle: *The Poor Law* (English Citizen Series; London, 1890), pp. 65, 66.

² Fowle: *op. cit.*, pp. 85, 86.

"Poor Law Bastilles."¹ The upper classes thought that this law had solved the problem; it was extolled as a new Magna Charta, and looked upon as "a step to no poor law at all."

We see how the theoretic method of thought which then dominated the middle classes sundered the bonds which had existed between the upper and lower classes. They now faced each other simply as workman and employer. They fell, as Disraeli says,² into "two nations," which were "as ignorant of each others habits as if they had been born in different zones," the poor and the rich. At no time and in no place have wealth and culture abandoned their obligations to the classes beneath them with such a proud consciousness of doing their duty as among the English middle classes in the first decades of our century.

¹ *Essay on Chartism*, ch. iii.

² *Sybil*, ch. v.

CHAPTER IV.

THE GREAT INDUSTRY (*Continued*).

II.—THE FACTORY HAND.

IN the first decades of this century, before the workmen learnt the strength to be drawn from combination, we see all the consequences which are to be expected when one section of a people is handed over defenceless to the caprice of the other. The men suffered in two ways from the authority wielded by their masters. In the first place, the employer, whose will was the decisive factor in settling a contract, could arrange its terms as he chose. In the second place, even in matters not immediately connected with industrial relations, the employer was in a position to exercise almost unlimited authority over the person of the working man. These two circumstances united in bringing about the deplorable condition of the working classes which we hear of in the first half of the century. For the abstraction "labour" which the English employer sought to buy as cheaply as possible was not a simple commodity, but was inseparably bound up with living, sentient humanity.

We might suspect both Engel and Lord Ashley (afterwards Earl of Shaftesbury) of exaggeration, though from opposite motives.¹ But even the most incredible details which they bring to light are confirmed by impartial witnesses such as Dr. Gaskell,² contemporary novelists like Dickens, Kingsley, and Disraeli, and the numerous Parliamentary Commissions which were appointed,

¹ F. Engel: "*Condition of the Working-Classes in England in 1844*," E. Hodder: *Life and Work of the Seventh Earl of Shaftesbury*, 3 vols. (London, 1886). *Seventh Earl of Shaftesbury, Speeches* (1838-1867) (London, 1868).

² Gaskell P.: *Artisans and Machinery*.

chiefly at the instigation of Lord Shaftesbury, to inquire into the condition of the working classes. Contemplating these facts, we are brought to the conclusion that such a burden as was born by the English working classes during the first half of the century was never laid upon the lower ranks of a people even in a condition of slavery. The first and most immediate effect of the control by the master of the conditions of contract showed itself in the rate of wages. As long as the workers were unorganised and were too ignorant and poor to seek a better market for their labour, wages were little influenced by the actual state of supply and demand. The employer could avail himself of every depression in trade as a pretext for forcing wages down, and since the worker was compelled to sell his labour to avoid starvation, he was not able, like other sellers, to reduce the supply; and therefore in such cases, wages sank to the subsistence minimum, nay, at times even below it, when the demand continued to decrease.

At such times want and misery decimated the population, and there arose that mass of unemployed workmen, the "Reserve Army of Industry," which lay as a huge burden on the Poor-rates.

This reserve was further recruited from outside. At the very time of this industrial distress there was still greater agrarian depression. The decline of agriculture, after the substitution of large for small farms, the final suppression of the small landholders and the continued decline of the cottage industries, particularly hand-loom weaving, drove an immense number of unemployed workmen from the country to the towns, rendering the position of the hands already there yet more precarious. Still more disastrous was the enormous immigration from Ireland. This country, for whose backward condition England was not without responsibility, sent her sons across the channel to bring down the English workmen to their own level. Extraordinary descriptions are given of the degradation of the Irish whom every steamer brought to England in densely packed masses. They asked for whisky, potatoes, and opportunity for sexual indulgence, and that was all. They lived in hovels where their pigs and

children grew up together, and knew nothing of any higher needs. They had discovered the minimum level of subsistence, and they taught it to the English worker. Engel says that a quarter or a fifth of the workers in almost every town were Irish of this sort; and he adds that this mixture of races, and therefore of character, has altered the type of the English working classes, an assertion which one cannot help gravely doubting. At any rate, the Irish immigration prevented the entire disappearance of unemployed labour, even when the demand increased, making it almost impossible for the English worker to take advantage of times of trade prosperity.

Nor must we forget the effect of continual improvements in existing machines, and the invention of new ones, which often at a single blow threw on the Poor-rates thousands of men who till then had been supporting themselves. If demand increased in any branch of industry, and particularly in the skilled trades, the consequent rise in wages was followed by numerous marriages; the workman, isolated as he still was, could not even recognise his own advantage, much less that of his class. He lived from hand to mouth, and knew nothing as yet of that care for the future which he was afterwards to learn from a great system of co-operative thrift; for the moment, marriage seemed to improve rather than injure his economic position. We might indeed say that the lowest point to which wages could sink was regulated by death and misery, the highest point to which they might rise by the improvident marriages of the working classes. The enormous fecundity which we encounter in the early decades of the century among the factory hands, accompanied by the loosest sexual relations, was enough in itself to prevent wages rising much or often above the subsistence level. They often enough sank beneath it; and, what was worse, this subsistence level itself, being after all relative, was greatly depressed. The necessary consequence was pauperism, that is to say, poverty belonging specifically to one stratum of the community and appearing on the scale of a class institution.

A host of other conditions which the employer could bring to

bear on the labour contracts tended in the same direction. Most important of these was the fixing of the hours of labour. A working day of 20 hours was not exceptional, and night work was practised to a large extent. Moreover, the truck system and the cottage system were very common. Both these systems were declared to be designed for the benefit of the worker, but, in fact, they both subjugated him more completely to the employer. After the legal prohibition of 1831,¹ the truck system was practised in a more veiled form, but the cottage system was still legal, and it proved a very powerful weapon in the hands of the employer. In case of a strike there was always the possibility of bringing the men to reason by turning them out of their houses, and often of retaining their movables as well, for the workman was generally in debt to his employer.

But this power of settling the labour contract in his own interest did not exhaust the opportunities of the employer. He exercised much indirect influence over the body, health, and economic position of the worker. He could regulate the nature of the workshops and the other conditions under which the work was to be done, purely to suit himself; and the state of these workshops was particularly bad during the first decades of the century. The machines were small and almost entirely unprotected; and as the employer had no kind of legal responsibility, accidents of every kind were of daily occurrence. The worst of all, however, was that the unorganised condition of labour enabled the employers, when it served their interests, to replace adult male labour by that of women and children. The evil of such a system was darkened by the fact that the employer of that time himself belonged to the uneducated classes, and was uninfluenced by moral considerations; nay, as he did not belong to "good society," was not even influenced by what was due to his own position. The evidence before the Parliamentary Commissions which sat in connection with Lord Ashley's Ten Hours Bill reveals truly horrible details. We hear of children who were so young that they had to be carried to the factory, and of

¹ 1 and 2 William IV., c 37.

others who were kept awake at their work during the night by blows, children who were so exhausted after their work that the food had to be put into their mouths, children who were sold out of the foundling hospitals by the parish authorities, and so on. These facts have often enough been enumerated, and what we wish to point out now is that they are taken, not from the writings of socialists and other writers "with an object," but from sober official reports. Similar conditions prevailed among the women who had succeeded their husbands and brothers as "hands." According to the statistics given by Lord Ashley in the House of Commons, March 15th, 1844, there were, in 1839, amongst

419,590 factory hands,
192,887 under 18 years of age ;
242,296 females, of whom
112,192 were under 18 years of age.

This leaves, of male workers,

96,569 over 18 years of age ;
80,695 under 18 years of age.

The number of adult male workmen is, according to these statistics, about 23 per cent., *i.e.* not quite a quarter of the whole number. The employers not only made frequent use of their power over their men for political purposes by bringing them into the field as allies, but—knowing, like their employees, no pleasure but the indulgence of their appetites—they abused their power over the women and girls they employed. Gaskell, as a result of his researches, says that the factory was not seldom the harem of the employer, and the sons of the first generation of manufacturers frequently fell victims to their vicious habits.

The consequences of these conditions were such as to threaten the nation with complete degeneracy, both physical and moral. In fact, the more the industrial worker became the broad basis of society, the more did the future of England seem endangered. According to Gaskell, who, as a doctor, was particularly qualified

to judge, and whose impartiality seems quite unimpeachable, the physical status of the nation was degraded to the lowest point by the factory system as developed in the first decades of the century. The fact that the average term of life was not shortened does not, says Gaskell, refute this; for acute diseases which terminate life suddenly were replaced by chronic ones, which do not perceptibly increase the death-rate, but make all the difference in the question of whether a people is physically sound or not. In support of this he instances that a savage race may not be as long lived as a civilised people which it greatly excels in bodily strength.¹ All the maladies otherwise peculiar to the sedentary occupations, and particularly derangements of the digestive functions, consumption and typhus, were relatively more frequent among the English working classes than among any others. Various malformations of the skeleton formerly unknown were developed by the machine labour, and there were specific deformities peculiar to different machines.

These statements of Gaskell's are confirmed on every side. The recruiting sergeants tell how the inhabitants of the manufacturing districts are almost all below their standard. In Lancashire, the seat of the cotton industry, the men hardly ever attained the standard height. Foreign observers, on coming to England, were amazed to find that the picture of "John Bull," with bow-windowed waistcoat and jolly round face, in which they had been taught to believe, no longer corresponded to the reality. In his place was a pale, hollow-cheeked fellow with narrow chest, wrinkled forehead, and shambling gait. Contemporary fiction, too, is full of descriptions of the physical misery which had seized a large body of the people. Kingsley asserts that it was easy to see the difference between men of the older generation, who had passed their youth in healthy occupations in the country, and those of the younger, who were a product of the factory system.

Let us trace the ordinary life history of a child born into the

¹ *Artisans and Machinery*, pp. 200, 201. See also Engel's *Condition of the Working Classes in England*, ch. vi., *passim*.

cotton industry of Lancashire, as represented by contemporary authorities.¹ His very birth was attended by peculiar dangers. It was taken for granted that working women ran greater risks than others in child-bed, the reason being that they generally went on working up to the last moment, and moreover had to stand continuously at their work. In Manchester an enormous lying-in hospital was early founded, and according to Gaskell almost all the factory hands in the town soon used it,² a proof in itself of how bad the state of things had formerly been. The new-born child was left to grow up without care, and was handed over to strangers from its earliest infancy, for its mother went back to the factory—sometimes only a week after its birth. As soon as the child could walk he was left entirely to his own devices. He grew up in the narrow courts, or in the damp, filthy streets of the manufacturing towns, the poorer quarters of which were almost entirely innocent of drainage. He often knew nothing of nature but the sky above him, and even this he rarely saw free from smoke and fog. At the age of nine—if he had survived the dangers which beset a child in the streets of a large city, and escaped the infectious diseases which usually haunt such neighbourhoods—he generally went into the factory. In certain ways he was perhaps better off here than before. “Philanthropic” employers opposed the Ten Hours Bill, which was to limit the hours of juvenile labour, on the ground that it seemed cruel to turn the children out of the warm mill-rooms into their cold and desolate homes. Under such conditions it is obvious that education was out of the question. The State did not concern itself at all with popular education. In the colossal budget (1843) of £54,000,000, only £40,000 was devoted to public education, and even this was not for the benefit of the working classes. The only means of education offered to the adolescent workers came through the Established Church or some other religious body. But all of these looked upon popular education mainly as a means

¹ *Artisans and Machinery*, ch. iii., *passim*.

² *Op. cit.*, note on p. 191.

of fighting each other, which is the reason why even the limited activity displayed by the Church—superficial enough as compared with that of the present day—was confined to districts where Dissent was strong. If the young people were fortunate enough to fall into the hands of any of these black-coated anglers after souls, they might perhaps be crammed with uncomprehended dogmas, but whether they learned to write was another question, for in the night school, after an exhausting day's work, they were too tired to give further attention, and in the Sunday school writing was put aside as "too worldly" an occupation. Family influences, generally the most potent factors in education, did not exist. A "home," with all that it means to Englishmen and Germans, they had not in any sense, for both their father and mother went to the factory—that is, as long as they could get work. The dwelling was simply a sleeping place, which, as all witnesses tell us, was both dirty and inadequate. It was often shared with their livestock, pigs or poultry, a custom imported from Ireland. If the young people grew up here their only pleasures were brandy and the life of the pot-house. The vice of drunkenness was as frequent as it is now rare amongst the better class of English workmen. Other evening amusements or opportunities of instructing themselves pleasantly and improving their minds were absolutely non-existent. At the same time, in this degenerated population, early sexual development became almost universal, particularly amongst the women. Mothers of 15 years old were not exceptional. The common practice of night work favoured the irregular intercourse of the sexes, which raised the number of illegitimate births immensely, and was really not far removed from a state of "free-love." It was just at the age when the temptation to excess is greatest that the worker got better wages than at any other time in his life, and this was a further temptation to self-indulgence and recklessness, qualities which all investigators agree to be particularly characteristic of the English working classes. A little later on, when he was probably a family man, his wages began to decline. He had never learned thrift. The system of insurance, which is the most economical form of saving for working men,

was as yet hardly developed.¹ Moreover, if he did save he saved for the benefit of the Poor-rates only. He inevitably fell back upon them whenever he was out of work, and sooner or later was permanently supported by them.

In family life a remarkable reversal of the normal conditions was seen. Parents became dependent upon their children, husbands upon their wives, for it was the latter who did the work. The children soon grew tired of control; they left their parents with a "Damn you, we have you to keep,"² and often made themselves independent at the age of fourteen or fifteen. The girls naturally grew up ignorant of the commonest domestic duties. They had never learned housekeeping, cooking, and so forth, without which even the highest wage earned by a working man's family would avail little; and even when they married they would have small opportunity of exercising such powers, for as the statistics show, the great majority of the mill-hands were women. Thus it often happened that the husband stayed at home, cooked, and mended stockings, while the wife went out as the breadwinner of the family. "It frequently occurred," says Lord Ashley,³ "that the women spent their evenings at the public-houses, after the fashion of men, forming clubs and discussing public questions, while the men stayed at home and took care of the children."

Thus ran the lives of most of the factory hands, lives whose dreary monotony was broken from time to time by loss of work and consequent utter destitution. None of the higher motives ever came within their ken. The Church had not yet awakened to a new life, and outside it the ruling classes had no sort of feeling for the masses. All observers agree that there was no patriotism among the working classes. In their eyes the law was

¹ The rise of the Friendly Societies is dealt with by Baernreither in the first volume of his book *Die Englischen Arbeiterverbände und ihr Recht*, translated as *English Associations of Working Men* (London: Sonnenschein, 1889, new ed., 1892.)

² *Speeches of the Earl of Shaftesbury* (London, 1868), p. 111.

³ *Speeches*, p. 110.

only a chain, forcing them back into their places, or, as Engel puts it, was like the whip to an intractable beast, "the only form of education to which they are treated, not convincing, but in timiding." ¹

After forty years of such a life the workers were "old people," and were usually discharged from the factory as "superannuated" (*cf.* the above-mentioned speech of Lord Ashley, March 15th, 1844, *Speeches*, p. 98). Their remaining years were generally spent in the enforced idleness of the poorhouse. "Here," as Carlyle puts it, sat a considerable part of the nation, as if enchanted, fit for work in the midst of a fair world inviting them to the work from which they were held back in idleness as by an invisible ban. ²

In selecting the life-history of the factory hand to sketch, it must not be supposed that we have shown the darkest social shadows of the time. The life of these "hands" was more or less accessible and open to public observation; but there is reason enough to believe that the millowners who fought against the factory laws were justified in saying that the peers who showed so much concern for the mill hands might turn to their own doors, where they would find the agricultural labourers in a far worse condition. It is, however, unfair to suspect Lord Ashley's attempts on this ground, for it was by his utterances on behalf of the agricultural labourers that he incurred his father's anger and brought himself into straitened pecuniary circumstances. Furthermore, the condition of the mining population was, on the whole, distinctly worse than that of the factory hands. At the time of the introduction of the Ten Hours Bill, the Commissioners brought to light horrible facts concerning the work of women and children in the mines.

¹ *Condition of the Working Classes*, p. 114; original, p. 145.

² *Past and Present*, ch. i., p. 3.

CHAPTER V.

CLASS WARFARE.

THE state of things we have been describing could hardly fail to engender hatred and bitterness against the ruling classes in the minds of the people. And, in fact, the first decades of the century are marked by a succession of strikes and disturbances, although as yet there was no organised labour movement. Independent of all this, the immense increase of crime, particularly of offences against property, due almost entirely to the manufacturing population, points to little less than an insurrection on the part of the working classes. In the thirty years from 1805 to 1835, the number of arrests in England and Wales was increased five-fold, while in Lancashire the number of offences doubled every five years, though the population only doubled in about thirty years.

There were disturbances among the factory hands as early as 1812, and others in 1816 among the agricultural population of the eastern counties. These were "rebellions of the belly,"¹ which rose and fell with the price of corn. With banners inscribed "Bread or Blood," they went plundering and destroying through the country, until the unorganised risings were suppressed by the military. But the sources of the disturbances were not touched. We hear again and again of similar outbreaks. The fury of the operatives very generally vented itself on the

¹ H. Martineau: *History of the Peace, 1816-1846* (Bohn's Standard Library, 1877), vol. i., book i., ch. iv. "'The matter of seditions is of two kinds,' says Lord Bacon, 'much poverty and much discontentment.' . . . The seditions of absolute poverty—'the rebellions of the belly,' as the same great thinker writes—were the first to manifest themselves."

machines, and a law of 1812,¹ extending an earlier enactment of 1727,² that had applied specifically to stocking frames, made it a capital offence to destroy machinery.³ It seemed as if the new régime, "the rule of King Steam," which had brought such misery on the people, was embodied in the machines. Greater disturbances followed in 1825 and 1826. In May, 1826, the workers of Bradford met to consider "the present unprecedented state of hunger and destitution of the factory hands." Similar meetings took place throughout Lancashire. Strikes and machine breaking were the consequence, till here, too, the military restored order. It is said that the owners often garrisoned their factories with soldiers.

But there was not as yet a distinct labour party. In politics the working classes still sided with the Liberal and Radical bourgeoisie, and helped them to carry the Reform Bill. Indeed, the Lords had been brought to accept it by fear of greater disturbances. And now the Reformed Ministry was in power. What had not been promised in its name? The first instalment of the Golden Age which the working classes received was the Poor Law of 1834. We have seen that this law meant a marked decrease in the expenditure on Poor-relief, that is to say of the income exacted from the rich on behalf of the poor. It was the signal for the dissolution of the union between the proletariat and the bourgeoisie. The working men began to see that their interests were very different from those of the Radical middle classes, and were, indeed, sharply opposed to them, as the interests respectively of employer and employed. The Liberal party now became the "Bloody Whigs," who gave the people stones for bread, and represented the interests of the "Bloated Aristocracy," and not those of the working man.

Taine, the anatomist of the French Revolution, distinguishes between two movements, which fought the one under the tricolour

¹ 52, Geo. III., c. 16.

² 1, Geo. II., c. 19, s. 2.

³ Harriet Martineau: *History of England, 1800-1815* (G. Bel & Sons, 1878), book ii., ch. v., p. 391-396.

and the other under the cap of liberty, and he traces the latter, which if the less diffused was the stronger current, back to the "Haine de la propriété" felt by the portionless proletariat of the capital. But a true revolutionary labour party looking upon all the questions in dispute amongst the upper classes as mere struggles between interested parties, with which it had no concern, and aiming at the complete overthrow of the existing order of society, first appears in England in the thirties. For the Chartist movement shows all the features of the social revolutionary movements which afterwards rose on the Continent. It is too important a factor in the growth of the English labour party to remain unnoticed here. The autobiography of William Lovett,¹ appearing in 1876, contains many fresh facts relating to the inner workings of the Chartist movement. It is the more valuable since it comes from one of the best of the Chartist leaders. And moreover, the time which elapsed between the events recorded and the publication of the book so far softened antagonisms in the author's own mind (as well as in those of his readers), that his work impresses us throughout as written with an impartial love of truth.

The "Working Men's Association" was founded in London in the year 1836. Its avowed object was agitation for universal suffrage, but its true character is shown by the fact that it only admitted working men. Indeed, it aimed at more than mere political changes. "Fellow countrymen," says the address which the Association sent out to the English working men soon after its formation, "*when we contend for an equality of political rights, it is not in order to lop off an unjust tax or useless pension, or to get a transfer of wealth, power, or influence for a party; but to be able to probe our social evils to their source, and to apply effective remedies to prevent, instead of unjust laws to punish.* We shall meet with obstacles, disappointments, and it may be with per-

¹ *Life and Struggles of William Lovett* (London, 1876). See also Brentano, *Die Englische Chartistenbewegung* (Preuss. Jahrbucher, vol xxxiii.), p. 431, *sqq.*; and further, Gammage, *History of the Chartist Movement* (London, 1854).

secutions, in our pursuit ; but with your united exertions and perseverance, we must and will succeed . . . Could corruption sit in the judgment seat, empty-headed importance in the senate-house, money-getting hypocrisy in the pulpit, and debauchery, fanaticism, poverty, and crime stalk triumphantly through the land, if the millions were educated in a knowledge of their rights ?

“No, no ! friends, and hence the efforts of the exclusive few to keep the people ignorant and divided.”¹

Here as in the subsequent labour movements on the Continent a political programme was put forward, as a means of securing control over the State, and organising society according to new social ideals. What its ultimate objects were may be seen from the following passage in the address sent to the Belgian workmen directly after the formation of the Association. “They have formed their institutions,” it says of the upper classes, “for hoodwinking and keeping [the multitudes] in subjection,—their laws have been enacted to perpetuate their power, and administered to generate fear and submission towards self-constituted greatness, hereditary ignorance, or wealth, however unjustly acquired.

Happily, however, for mankind, the flood-gates of knowledge which the tyrants of the world have raised to stem its torrents are being broken down. We have tasted its refreshing stream ; the mist of ignorance and delusion is passed ; we *perceive* the injustice practised upon us, and *feel* the slavery from which we have *not yet power to free ourselves*. Our emancipation, however, will depend on the extent of this knowledge among the working classes of all countries, on its salutary effects in causing us to perceive *our real position in society*, in causing us to see that we, being *the producers of wealth*, have the *first claim* to its enjoyment : ”² phrases which at once call to mind Marx’s full-blown doctrine of “surplus value.”

¹ Addresses and Rules of the Working Men’s Association (London, 1837). Quoted in Lovett’s *Autobiography*, p. 95, sq.

Lovett : p. 98.

These addresses show that the objects of the Association differed widely from those of the Radical bourgeoisie, whose views were represented in Parliament by O'Connell. But in spite of this, the official programme, which the "Association" presently put forward, was publicly accepted by O'Connell. It was called the "People's Charter," and in the following decades millions gathered round it as the banner of the working classes. In the first session of Queen Victoria's reign (1837) the Radicals brought the extension of the franchise before Parliament; and Lord John Russell, the leader of the Liberal party, made his celebrated "finality" declaration.¹ It was the declaration of the ruling middle classes, *i.e.* the industrial employers, that they intended to maintain in perpetuity the class rule they had hitherto exercised. The Radical party at the same time put forward a programme embodying their demands: Universal Suffrage (Female Suffrage was originally included, but Adult Suffrage was afterwards changed to Manhood Suffrage), Annual Parliaments, Vote by Ballot, Payment of Members, Abolition of the Property Qualification, and Equal Electoral Districts. These "points" were adopted by the London Working Men's Association, were spread all over the kingdom by the societies connected with it, and were received with acclamation in the North, where the labour party was led by Feargus O'Connor. The movement soon grew beyond the control of the Radicals. They tried to restrain it, but the only result was that the working classes broke from them and organised themselves independently in "Working Men's Associations" all over England.

The means adopted to gain their objects were, at first, of a peaceful nature, monster petitions to Parliament, and the summoning of a National Convention, that is to say, a Labour Parliament meeting in London, in which the workmen were to be represented, by the side of the Imperial Parliament, in which

¹ Brentano: *Die Englische Chartisten Bewegung*, p. 435. Hume and others moved an amendment to the address, introducing a reform of the franchise, rejected by fifty to twenty-two, when Lord J. Russell declared that the Reform Bill was intended as a final measure.

they had no voice. Finally, however, a universal strike, called the "sacred month," was planned. This amounted to abandoning the field of peaceful agitation, since it could not be carried through, over the whole kingdom, without resorting to violence.

If the organs of the Working Men's Associations still preserved some moderation, the speakers at popular meetings did not. It seems as though leaders in such movements are driven to retain their popularity by outdoing each other in the violence of their language. In this respect the preacher Stephens took the palm. He told the poor to look at the guzzling of the rich, and taught them that the rich man eats his bread by the sweat of the poor man's brow. Such robbery, he cried, they should no longer permit, but should dare to enjoy the fruits of their own work themselves,—“Chartism, my friends, is no mere political question as to whether you get the Franchise; Chartism is a question of knives and forks; the Charter means good dwellings, good food and drink, good incomes and short hours.”¹

One can imagine such speeches being delivered by night to meetings of thousands and tens of thousands of workmen assembled by torchlight, who greeted the speeches with frantic applause, and responded to the cry, “Are you ready?” by a salute of firearms.² The movement assumed such a threatening character that the Government, while carefully respecting the right of free speech and public meeting, took steps against incitement to insurrection and uproar. Meetings by torchlight were forbidden, and proceedings were taken against the leaders, including Stephens.

The peaceful methods originally contemplated by the working men were unsuccessful. The National Convention, called together in London on February 4th, 1839,³ was afterwards removed to Birmingham, and finally came back to London again, but it failed

¹ Quoted by Brentano on p. 440 of essay mentioned, as Stephen's speech on Kersal Moor to 200,000 hearers.

² Gammage: ch. xxx., p. 107.

³ *Ibid.*: ch. xxxiii., p. 116.

to make the desired impression, because of the internal dissensions which already showed themselves in the Labour party. This resulted in the withdrawal of the best delegates, when it was found that the majority were in favour of attempting to carry the People's Charter by force. In the meantime, the first revolutionary outbreak took place at Birmingham, where several houses were burnt, and the town had to be recaptured by the military. The Duke of Wellington declared that "he had been in many towns taken by storm, but never have such outrages occurred in them as were committed in this town only last night."¹ Finally, when Parliament rejected the petition (bearing 1,283,000 signatures) for the introduction of the Charter, the "physical force party" got the upper hand altogether. Their first proposal was the "sacred month" agreed on by the National Convention. All work throughout the United Kingdom was to be suspended voluntarily, or on compulsion, till the Charter should become law. But this, too, miscarried, for the Trade Unions, which, though only in their infancy, embraced the élite of the workmen, refused their adherence, and without their aid the "sacred month" was impracticable.

Greater success might have attended the project next recommended by the leaders of the "physical force party," to wit an organised incendiary outbreak, in the confusion of which a general rising was to take place. But the Government took decisive measures against such utterances, and the Chartist leaders soon found themselves in prison. The movement, however, was only driven below the surface. "It is the chimera of Chartism, not the reality, which has been put down," says Carlyle in the pamphlet on Chartism² which he hurled into the midst of the struggle. The imprisoned leaders were replaced by younger men, more cautious perhaps, but certainly not more moderate.

In the ensuing decade there were frequent outbreaks of furious

¹ *Hansards Parliamentary Debates*, 3 s., vol. xlix., p. 374. [The duke had evidently heard a much exaggerated account of the riots.]

² "Chartism," ch. i.: *Misc. Essays*, vol. vi.

popular passion, which need not be investigated in detail here. It will only be necessary to point out the special characteristics which distinguish the Chartist movement.

In the first place it must be observed that Chartism is closely related to the revolutionary movement on the Continent known as Social Democracy, and, in fact, manifests all its essential features. They are both marked by the struggle of the workers to destroy the existing order, and to seize political power as a means of initiating a new social organisation. The concrete proposals may, indeed, vary, and so may the more or less vague and Utopian outlines of a regenerated society; for they only exist as a lever for agitation, and accordingly the real intellectual leaders, alike of Chartism and of the later Social Democracy, have foreborne to draw any such pictures. Marx declares that the man who gives a distinct form to the future society is a reactionary. The point which is common to both agitations is the hostility to the existing order, which they declare to be incompatible with any improvement in the condition of the workers, and the hatred of "property" as its most conspicuous feature. That this was, indeed, the mainspring of Chartism is shown by the extracts from speeches and addresses given above. In fact it was not without some grounds that Lord John Russell, in 1839 and afterwards, accused the Chartists of wishing to confiscate all property and deal it out in equal portions.

These ideas drew their chief vitality from the vicious system of land tenure in England. Lovett, the most moderate of the Chartists, says in one of his addresses:—"All property, originating in conventional arrangements, and founded on *public utility* must ever be tested by that standard, and when the wants of starving millions, and the luxuries of a selfish few, are so tried and tested, justice and humanity will find little difficulty in settling the question. And as the rich and powerful have hitherto found in their legislative appropriation of waste and common lands, no very formidable obstacle in the *claims of the poor man to his share and property in the village green or common*, we can discover no just obstacle in

the way of legally appropriating the waste lands of Ireland to relieve her famishing people." ¹

We see that the idea of dispossessing the great landowners was already rife amongst the Chartists, and O'Connor's celebrated "Land Scheme" ministered to the land hunger of the people, just as the phrase "Land Nationalisation" is still the "open sesame" to the enthusiasm of the English workman. In the eyes of the Chartists the existing "rights of property" were the product of class legislation. "The law treads down the poor man and the rich man makes the law," was a Chartist catchword. Regarding the whole existing system as bad, they broke with the Radical parliamentary party, which demanded certain limited reforms, nay, they were for a time violently opposed to it.

O'Connell voted against the Ten Hours Bill, and an attempt made by Joseph Sturge in 1842 to unite the parties, failed, since they could not even agree on the name of the coalition. The fall of the Liberal Ministry in 1841, and the formation of a Conservative Cabinet under Sir Robert Peel, were due in great measure to the attitude of the working men, who bitterly hated the "Reform Ministry." The neutral position taken by the Chartists with regard to the Corn Laws is remarkable; it was *the* question which occupied the minds of the upper classes, and would seem to have concerned the working classes even more nearly. Their taking no part in the matter shows how filled they were with the belief that no political or economic questions, however they might be decided, were of any consequence to themselves, as long as the present society continued to exist in any form, a belief which is in itself sufficient proof of the revolutionary character of the movement.

Although the members of the Working Men's party separated themselves from the Liberal middle classes, their idea of society was fundamentally the same. Both conceptions rest on the same philosophic basis. The only difference between them was that while the one party believed in the existing social system as good in the main, and simply sought to remove the impediments

¹ W. Lovett's *Autobiography*, p. 357.

to its growth, the portionless proletariat declared that the whole inherited system was bad and must be overthrown in the mass—not purged by the abolition of individual institutions. Both are utilitarian, and regard the well-being of the individual—"The greatest good of the greatest number"—as the goal. Both take the fiction of the abstract individual as their basis, and rationalize on human beings as naturally similar to one another, and capable, as they stand, of being formed into an ideal society,¹ both think to attain their goal by a mere re-arrangement of these individuals, *i.e.* by a political change. Social Democracy and Radicalism are alike children of their time, and have their roots in the "illuminati" of the eighteenth century.

But the Revolutionary Labour Party pushed its deductions with less reserve. The individualistic philosophy still represented by the classical English Political Economy had based social harmony on the free competition of individuals. What then was left for the State? It must keep violence out of the conflict of interests. That is to say, its only function was the protection of property, an attitude already assumed by the Kantian philosophy before the time of the Physiocrats. But why deny to the subjected classes, which made up a large proportion of the competitors, the only weapon which they could use in the struggle for existence, namely physical force? From their standpoint, the Government conceived by these philosophers and economists must appear as an instrument of compulsion by which the rich held down the poor; and when they were in a position to do so, they must meet force by force. Within the Labour party the conception of the State based on the individualistic attitude generally resulted in the triumph of those who advocated recourse to violence.

Nor does Chartism differ here from the later analogous movement on the Continent. It is true that the "Moral Force" party,

¹ Robert Owen differs entirely from this attitude. He looks for improvement in social conditions mainly through the regeneration of the individual, so he lays the chief stress on education. He was not so much the father of English Socialism, which put its trust in State management, as of the English Co-operative movement.

the branch which advocated peaceful methods, embraced the men of highest moral standing amongst the Chartists, as witness the noble picture of the tailor poet, drawn by Kingsley in *Alton Locke*. Amongst the leaders, Lovett, whom we have already mentioned, represented this party, and his autobiography gives us a fine idea of the attitude of the best working men, and of the change which took place as years went on from protest to peaceful co-operation. But the majority of the English working classes were not yet ripe for Lovett's views; nor had they learned that other means of bettering their position more practicable and at the same time more peaceful lay ready to hand. The experience gained in their Unions had not yet taught them the importance of that subordination of each to all, which is the only means of securing lasting results,—a fact sufficiently emphasised by the recent great strike of the London dockers. At the time of which we are speaking they were readier to hear the violent harangues of Feargus O'Connor, who preached open mutiny and tumult with Irish impetuosity. Applause which can scarcely be described by the word enthusiasm, since it amounted almost to frenzy, greeted this demagogue when he appeared before the populace, and thundered against the "villains who quaff your sweat, gnaw your flesh, and drink the blood of infants . . . luxuriate on woman's misery and grow fat upon the labourers toil."¹ The Chartist sympathised with any kind of revolution. "A Nation never can rebel"² is a saying which frequently recurs as one of the articles of their faith in the speeches of the time.

Although Chartism exhibits all the characteristics of the later revolutionary movements, it differs in one point from those of the Continent. Englishmen always try to put their demands in the form of a revival of ancient rights, however gross the historical error involved in such an attempt may be. So the Chartists thought they were fighting not for fresh rights to be won, but for lost rights to be recovered. They would point to the time when the free Saxon peasant cultivated his own land, and to the privi-

¹ Gammage : *History of the Chartist Movement*, p. 309, sqq.

² Lovett, p. 100.

leges secured to the English burghers by Magna Charta, the Petition of Right, Habeas Corpus Act, the Bill of Rights, and all the rest which had, as they thought, been filched from them by a thievish aristocracy. "Their turbulence," says Lovett in an address on the English people, "oftener proceeds from justice outraged or rights deferred than from any anxious desire for other institutions."¹ The Statute of Apprentices, for which the workmen of thirty years ago had fought, had passed out of mind, for the new methods of production introduced by the Great Industry had triumphed so completely that even the workmen had acquiesced in the accomplished fact.

The course of the Chartist disturbances between 1840 and 1850 shows how strong the movement was. Monster petitions for the introduction of the Charter were twice presented to Parliament, the first on May 2nd, 1842, demanding not only the Charter but Home Rule for Ireland. It is said to have had 3,300,000 signatures.² Ten men carried it into Parliament, and it had to be divided into sections to bring it through the door of the House. The other petition was presented on April 10th, 1848, by O'Connor, who had in the meantime become a member of Parliament.³ The number of signatures is disputed, but according to the lowest estimate it exceeded a million. In spite of the extremely severe measures taken by the magistrates wherever the law was broken, and the incarceration or even transportation of the majority of the leaders, the decade saw a succession of overt disturbances which at the same time served to show how an organised military power can always keep a revolutionary movement in check if only the central government remains firm and does not lose its presence of mind. In 1842 an attempt was made to revive the "sacred month" which, though again a failure, was much better planned than the effort of 1839. It was also called the Plug Plot, because the men concerned in it drew the plugs from the boilers, so as effectually to stop the works,⁴ and it plays a great part in contemporary fiction. When the French Republic was proclaimed in 1848 the revolutionary spark again flashed through the English working classes, and

¹ Lovett, p. 345. ² Gammage, p. 226. ³ *Ibid.*, p. 339. ⁴ *Ibid.*, p. 242.

for the moment the situation was full of danger; nor did the Workers' Convention which met at the time fail to open communications with the provisional government in Paris. The Government thought it necessary during this year to put London in a state of defence. The most important parts of the Metropolis were armed with cannon, while the bridges over the Thames were for a time closed.¹ In addition to the soldiers who were collected in London, about 150,000 special constables were sworn in.²

The very existence of English society seemed to be threatened by the revolutionary movements of the proletariat in the thirties and forties. Even the calm and impartial Gaskell declared in 1833 that he doubted if a peaceful solution would be possible, and thought a revolution was almost inevitable. Since then the working classes had gathered round the banner of Chartism, and an organised revolutionary party had arisen, which, as Brentano points out in the essay we have already referred to, was much more dangerous than the modern social democracy of Germany, both because of its wide extension and firm organisation, and still more because the English wage-earners form the mass of the population, and are not balanced by any such class as peasant proprietors. The conviction was widespread amongst the workers that they "could only rescue their humanity by hatred and mutiny against the ruling classes." It must have seemed safe to prophesy that a violent upheaval was imminent. This conviction was most prevalent in those circles where the history of the period was studied with most earnestness and zeal. Men felt as if they stood on ground that might any day sink under them. Dr. Arnold said, in 1840, that the nation was standing on the edge of an abyss, and must of necessity shoot down the cataract, while Ebenezer Elliot and others express similar apprehensions.³

¹ Gammage, p. 335, *sqq.*

² It appears to me from personal inquiries that it was entirely due to the careful preparations of the Duke of Wellington that an insurrection did not break out in London. The duke quite expected fighting, and had made his preparations long beforehand. [S.-G.]

³ A. Toynbee, *The Industrial Revolution* (London, 1884); and Ledru

Engel, whose book on the condition of the working classes appeared in 1848, says "that there will in the immediate future be a war between rich and poor more cruel than any struggle which has ever been." He even thinks that he can fix the period of the outbreak in the years 1852 or 1853.¹ At the close of his book he says: "The war of the poor against the rich now carried on in detail and indirectly, will become direct and universal. It is too late for a peaceful solution. The classes are divided more and more sharply, the spirit of resistance penetrates the workers, the bitterness intensifies, the guerilla skirmishes become concentrated in more important battles, and soon a slight impulse will suffice to set the whole avalanche in motion. Then, indeed, will the war-cry resound through the land, 'War to the palaces, peace to the cottages;' but then it will be too late for the rich to beware." ²

The general public understood nothing of the movements going on amongst the working classes. As usual they attributed everything to the personal influence of a few demagogues. They took what comfort they could get from the idea that the people were being "inflamed" and "misled," without considering that a great and widespread revolutionary movement does not show itself without a cause, and never without some fault on the part of the powers against which it is directed. They denounced the working men as coarse and ignorant, without reflecting that in so doing they were condemning themselves for having done nothing to refine them. Disraeli, in *Coningsby*, satirises the helpless politicians who were like the courtiers who said that the French Revolution was due to the Queen's not paying sufficient attention to court etiquette.

The unquestioned acceptance of the individualistic political economy made it impossible to examine the economic situation from any but a capitalistic point of view, or to find any explana-

Rollin, *La Décadence de l'Angleterre*, 1850 [translation by E. C., *The Decline of England*, 1850].

¹ *English Working Classes*, p. 296.

² *Ibid.*, Wischnewetzky's translation.

tion for the rise of a revolutionary social party. Political philosophers thought that in securing the freedom of the individual they had entered on the road to the golden age.

The capitalistic attitude of the ruling classes was conspicuously shown in the difficulty with which the laws for the protection of the workpeople, to which we shall presently refer, saw the light. These laws had to encounter the resistance of almost the entire nation. It is significant that the first of them, passed in 1802 for the protection of the children handed over to the millowners by the parish authorities, was passed through fear of the epidemics to which the treatment of the children gave rise. The Earl of Shaftesbury expressly says that the Tories were no more favourable to his endeavours than the Liberals. In fact, in 1841, he dreaded the return of his party to power, because he knew that Sir Robert Peel would only support the Ten Hours Bill as long as he was in opposition, and would shrink back from the antagonism of the great employers as soon as he was premier.

We have seen in the foregoing pages how the rise of the Great Industry in England brought the "social problem" to a stage so acute as apparently to threaten the whole social system, how the class contrasts became so strong that there seemed no hope of a peaceful solution, and everything pointed to a violent catastrophe. At the same time we have seen how these external conditions coincided with an individualistic philosophy of society and life that had penetrated the inmost recesses of English thought.

A vast change took place during the fifty years which lie between the period we have just described and that which we shall deal with at the end of the present work. This change, which appears in detail in an improvement in the workers' standard of comfort and in the growing spirit of organisation,¹ is raising the working classes to social, political, and intellectual equality with those who have hitherto been their rulers, and opens out the prospect of a completely new future for the civilised world.

¹ Cf. Brentano, Baernreither, and others. A second edition of Brentano's book on Labour Unions may fortunately be looked for.

PART II.—INDUSTRIAL PEACE.

“ Workman and employer parted as protector and dependant to unite as equal citizens of a free State.”

ARNOLD TOYNBEE : *Industrial Revolution*, p. 200.

CHAPTER VI.

THE EVOLUTION OF THE GREAT INDUSTRY.

i.—THE PATRIARCHAL SYSTEM.

WE have seen how the Great Industry threatened as it rose to destroy society ; and we have now to point out how it accommodated itself in its progress to the existing order of things, and came to occupy a position which justifies the title of this work. Observers at the beginning of the century looked upon it as the curse of modern society, but we shall be able to see that in reality it is from the further advance and development of the Great Industry that we must hope for the solution of those social difficulties, which would seem to be merely incidental to the transition from handicraft and cottage industry, and the weakness and want of organisation amongst the workers that accompanied it. The Great Industry generated two new classes in the nation, which gradually came to outweigh all others in importance, the Master and the Hand. We have seen how the theory, which grew up with this process, treated the “hands” solely as

"instruments of production," while they on their side formed the earliest party of Social Revolutionists. But neither was the employer merely the capital-accumulating automaton which the theory demanded. He, too, was a man, influenced not by one but by many and complex motives, and affected by traditional forms of belief as well as the new ideas of his time. The employer of the theorists may have corresponded in some degree to the reality in the self-raised men who formed the first generation of employers. Carlyle's words were not far from the truth; their idea of hell was "not making money."¹ But such a description was no longer applicable to their sons—such of them as had survived the sudden access of wealth which came to their fathers—for university education, public work, and other influences had brought them into touch with the moral and intellectual life of the nation. And with the change of theory we find as the century advances a change in the attitude actually assumed by an employer towards his hands. Under the domination of the Individualistic Political Economy, the worker was simply an instrument for the production of commodities. In the second period, the movement initiated by Carlyle in its first Tory-Socialist form led the employer to regard his workmen as entrusted to his protection. He thought that his patriarchal care entitled him to the political support of his workpeople, and justified him in settling the terms of employment. And in consequence, we find the atmosphere full of benevolent schemes originating with the employers, while at the same time the Factory Acts are being brought forward by the Conservative party. On the other hand, organisations such as Trade Unions were opposed by the State because opposed by the classes who controlled it. Finally, in the last period, the "Captain of Industry," whom Carlyle had foreseen became a possibility, recognising the workers as a power in full economic and political equality with himself.

The idea of patriarchal protection became untenable, because the interests of the individual workers are opposed to those of the

¹ *Past and Present.*

individual employer, and the workers were forced to combine for the protection of their own interests. Our third period, then, is marked by the complete recognition of Trade Unionism and the freedom of combination, as well as by a political alliance between the progressive employers and the workmen, which gives a socialistic tinge to radical politics. Individual employers may still try benevolent schemes; but the test of their *bona fides* now lies in their desire to increase rather than limit the independence of the workers. The factory legislation, though derived in its essential elements from the preceding period, is now developed by the workers in concert with their employers, instead of being enacted on behalf of the men by their masters.

In examining the various schemes for bettering the position of the workers, considerations of space have induced me to confine myself to a single example, (with which I have made myself personally acquainted,) of each type. The best known attempt to revive the feudal relation is Saltaire, the industrial township built by Sir Titus Salt. The first aspect of the town, as seen from a hill hard by, with its huge factory and lofty chimneys surrounded by workmen's cottages, reminds us of the baronial castle in the middle of the vassals' dwellings. But the resemblance is merely external, as we feel when we find that the owner's mansion is situated on a further height in the midst of a park, undisturbed by the smoke of the factory. The common interests which bound the feudal lord to his people are no longer to be found.

Externally, Saltaire is a most magnificent example of care for the workman. Besides the cottages, there is a theatre built by Sir Titus, a club-house, an ethnological museum, picture and sculpture galleries, a church and school, a covered swimming bath, a large park and recreation grounds. On the river are rowing boats, and even a small steamer. In the church is a marble statue of the founder, erected by the workmen.

The drawbacks are not such as to be observed by the hasty observer. But inquiries among the inhabitants will show that their well-being is purchased at the price of liberty. The position of

the workers in Saltaire is fundamentally affected by the fact that all the house property belongs to the firm. Early in the fifties, Sir Titus had erected dwellings for a population of 4,000, on what had formerly been agricultural property, and since then the firm has adhered to the principle of refusing all offers of purchase on the part of the operatives. The result is that any person obnoxious to it can be banished; and therefore all attempts at organisation on the part of the workers are precluded. So long as the benevolent industrial patriarch, Sir Titus, was at the head of the concern, this dependence was very little felt, either politically or economically. But his less high-minded successors could not resist the temptation to take advantage of the position of the operatives, and they reduced wages below the local standard. The operatives were powerless against this move, and although the elders were in full sympathy, resistance was only attempted by the younger generation. Thus even Saltaire has not been free from labour disturbances, but they have always ended by the workmen having to submit to conditions laid down exclusively by the employers, since the leaders of the opposition have simply been turned out of the place. Moreover, Sir Titus' institutions, which have prevented any kind of self-government on the part of the workers, are beginning to decline now that the personal interest of the owners has evaporated. The baths are closed and neglected, the institute for higher education has got into debt and is threatened with the same fate, and even the church, which is inadequately endowed, seems likely to succumb.¹

Examples of the "cottage system," similar to Saltaire, are frequent throughout England. They produce a dazzling impression of successful benevolence, but in reality they are survivals of a superannuated type. It is significant that the employers almost always make non-membership of a Union one of the conditions of admission among their favoured workmen, and do not themselves belong to the masters' associations. The conditions of employment in England are at the present time usually fixed by negotiation

¹ Since the above was written, the company has been in liquidation.

between the two associations, but these concerns do not admit of interference by any third party between employer and employed. Although the managers are compelled to follow, more or less, the regulations prevalent in the trade, they nevertheless often make use of the dependence of the workers to reduce wages.

It is true that this patriarchal system has a certain—wholly exceptional—justification in cases where an abnormally high quality of goods is produced for which the average skill, as represented by the Trade Unions, is inadequate. In such cases attention to the operatives is a means of improving the productive machinery. Hugh Mason's spinning mill at Ashton-under-Lyne is an example of this kind. It prepares a particular kind of cotton for the factories in Bradford, Nottingham, and Glasgow. The factory has been worked on the same principle for fifty years, and has the finest machines and the best workmen. Most of the latter have been in the mill from their childhood, and the older men have served under the present owner's father, who started the enterprise. Wages are regulated by a scale fixed by the master, and are higher than those usually given in the neighbourhood. Externally it is a miniature Saltaire. The workmen's cottages round the factory belong to the employer, and are let to the men at a rent of 3s. 6d. or 4s. per week; they generally contain three rooms. Furthermore there is a lecture hall, a roofed bath, a well-equipped gymnasium, and so forth. These arrangements pay because a special quality of work is demanded. In such cases as this the continuation of the patriarchal relations between master and men may be possible and satisfactory to both parties. But we must not forget that this is an exceptional instance, which though very gratifying, is of no general significance. For it is generally a matter of producing the staple commodities for which the ordinary work-power is sufficient, and in such cases mutual competition forces the undertaker to reduce the cost of production—which has been increased by his splendid arrangements for the benefit of his operatives—in some other way, and particularly by cutting down wages.

Enterprises which are governed by the spirit of the times are

not conspicuous for their magnificent benevolent arrangements. The workmen's cottages belonging to "the master," which used to surround the factory, have disappeared. On the other hand, the workshops themselves are better than those of the earlier period, and are superior to those of the patriarchal factories in sanitary and protective arrangements, and in light and ventilation. For the rest, anything which might lead to the dependence of the workers is shunned, and is resisted by the Trade Unions to the utmost.¹

All benevolence which affects the indispensable necessities of life pauperises the able-bodied man, and when originating with the employers, fosters the dependence of the worker. When the cost of necessary food and shelter is partly defrayed by gifts, there is always the possibility of creating a kind of serfdom, which is not necessarily taken advantage of at the time but in which the danger is always inherent. It is otherwise when the employer starts co-operative stores, building societies, and the like self-supporting institutions. Here it is a case of "helping men to help themselves." Corresponding movements originate among the workmen themselves, and the function of the well-disposed employer is, in such cases, to bring his men up to the standard of their most advanced comrades, and so strengthen their economic independence. Such efforts are directly opposed to the earlier truck and cottage system.

Besides, there always remains a wide field of action for the employer even after he has met the workman on terms of full and unreserved equality. His action deals no longer with the necessities of life, but with education in the widest sense. He can elevate his people's minds, develop their bodies, and provide suitable amusements for them. He does not usually provide all the funds himself, but seeks the voluntary participation of the workers in bearing the cost. His aim is to make all these undertakings pecuniarily independent as soon as possible, and to hand over their management to the shareholders. But the real test of

¹ This was the meaning of the gasworkers' strike at the proposed introduction of profit-sharing at the beginning of 1890.

whether the employer is abreast of the times lies in the attitude which he takes towards the union or other organisation among his workers. Only too often the benevolent schemes of the employers have been, and are, used as a weapon against the organisations of the workmen, whereas their best chance of real vitality is found in the interest and support of trade organisations, as we see exemplified in the night schools in Manchester.

There are various ways of furthering the interests of working men, which are really sincere and suited to the times. First among these come educational movements, such as University Extension lectures. Technical education seems to enlist the special sympathy of far-seeing employers, and, indeed, it must seriously affect England's equipment against foreign competition. A great deal has been done in this direction in Saltaire. Many of the employers make provision for the religious needs of their workmen. Lord Meath mentions a factory in Derby¹ where there is a short religious service held every day, before work begins, in a special room, and the attendance, though not compulsory, is good. But here, too, the employer will accomplish more if he furthers independent movements, such as the "Missions" which take the form of a succession of sermons and addresses from outside speakers. The Temperance movement is another instance in which the employer, often supported by the best of the workmen, can give invaluable assistance. Drink is the failing of the English working man, and all who have studied the question agree that it can only be combated by the pledge of total abstinence. The temperance societies which are spread over the whole of the kingdom, and more especially among the working men, carry on a vigorous propaganda in the centres of the working population. The employers can assist by granting rooms for meetings, by displaying notices and distributing handbills amongst their people, and most of all, by personal example. There was a temperance mission, for instance, in Salford in 1888.

¹ *Nineteenth Century* (April, 1888), vol. xxiii., p. 537.

It was initiated by the firm of R. Haworth,¹ and the meetings were held in the lecture hall it had built. The opening proceedings were enlivened by the performance of various choral societies of the neighbourhood and the band of the factory operatives. The hall was beautifully decorated with plants, provided by the owners of the factory. The speaker knew how to reach the consciences of his hearers—mostly young men and women—and spoke to such good effect that about 500 of his hearers took the pledge on the spot. The partners of the firm and other local celebrities occupied the platform.

Or again, a high-minded employer may do much for the physical development of the young people in his factory by means of gymnasiums and recreation grounds.² Given the opportunity, the operatives are willing enough to organise clubs for cricket and other national sports. I have heard of an employer whose son takes the younger hands to the sea-side every year for a spell of outdoor life and exercise.

There is a wide field for the employers' benevolence in the encouragement of rational amusements and social intercourse, which constitute the best check on drink, gambling, and other excesses. Many of the employers have provided clubs for their workpeople, with billiard-tables and reading-rooms. Here, again, it has been found that the personal interest, and, if possible, participation of the employer and his family are worth more than mere pecuniary generosity. Several magnificently equipped clubs have come to a speedy collapse, for it is only when they are self-governing and dependent on the members' own subscriptions that they can ensure their real and lasting interest. The employer, since he has made some sacrifice for the concern, may fairly enough indicate the lines which he wishes it to follow by the constitution he gives it; and a temperance clause, i.e. the prohibition of alcoholic liquors, seems to be particularly important.

¹ Richard Haworth, Ordsal Lane, Salford, a cotton spinning and weaving factory, employing nearly 3,000 operatives. This firm is conspicuous for the number of enterprises for the good of the operatives.

² See the article of Lord Meath's mentioned above.

The firm of R. Haworth found that the club they started fell to pieces because they permitted the sale of intoxicants. It goes without saying that the workmen's club, even if it is started by the master, must be independent; and even with boys' clubs, the wisest plan is to endeavour to train the members for self-government. There are similar societies for the girls and young women, of which the wife and daughters of the employer are often members. At Haworth's they have a girl's parlour, which is visited by a number of ladies from the neighbourhood, who teach the girls domestic economy, including sewing, dress-making, knitting, and cooking. The members subscribe a penny a week towards expenses. The meetings of the "parlour" are enlivened by singing, recitations, and music, and a social evening on Saturdays. We may add that there seem to be no lack of similar institutions for women and girls employed in factories.

What, then, is the difference between these efforts and those of the earlier time? The older generation of the employers did what they did in an official capacity, bringing their economic superiority over their workpeople into prominence, whereas the modern employer is, in this connection, merely a private individual who has increased facilities for the work owing to his constant intercourse with the hands. He works on the lines of the University settlements in East London, carrying the same spirit into another field. Where the employer conducts his philanthropies in real accordance with the spirit of the times, personal friendship between him and his workpeople may again become possible, though the old patriarchal system has been broken down by the Trade Unions. I have found instances of mutual confidence such as seldom existed in the old times among the highly paid industries, where the Unions are strongest and have most members. The employees in the firm of William Mather in Salford, who belong almost without exception to the Amalgamated Engineers, love and respect the chief of the firm by which in many cases they have been employed from their youth. Mr. Mather gives the Union the fullest possible recognition. He does not foster special

institutions for his own workpeople, but has done important service to the cause of popular education generally.¹

Intercourse between masters and men, if it is not to be incompatible with the present developments of industry, can only grow up on the basis of an ungrudging recognition of equality of social and political right. Philanthropic schemes which are abreast of the times, do not aim at keeping the workers dependent, still less at subjugating them, but where they are still backward they endeavour to prepare them for those benefits which the future promises, economic and spiritual freedom, and a fair share in the national culture.²

¹ Mr. Mather's attitude towards the Trade Unions is well exemplified by the following incident. The twenty-two branch unions of the Amalgamated Engineers of Manchester and the neighbourhood had invited him to their annual meeting. Mr. Mather, who is an M.P., was obliged to decline, but in doing so he said he did not need to assure them of his interest in the Amalgamated Society of Engineers. They had always set a noble example of unity and zeal in furthering the interests of their noble calling. It had always been a great pleasure to him, as an employer, to meet members of their Union.

² The latest favourite in England is profit-sharing, that is, a "bonus on wages" at the end of the business year, corresponding to the profit which has been made. Certain classes of workmen, particularly foremen, often receive a bonus of this sort, as in the houses of Mather; Cassell's Printing Works; Blundell, Spence & Co., Limited; Burroughs, Welcome & Co.; Curtiss & Co., Limited; Hamilton & Co., Limited; Hazell, Watson & Viney, Limited; Waterlow & Sons, Limited. See also report of Industrial Remuneration Conference (Cassell, 1885), p. 251, *sqq.* This kind of payment, which is intended to increase the workers' output, is mistrusted by the Trade Unions, and indeed it is often introduced with a view to destroying the organisation of the workers. The so-called profit-sharing scheme of the London Tramways Company was intended to crush the Union of their miserable employees, which had extraordinary difficulties to contend with.

CHAPTER VII.

THE EVOLUTION OF THE GREAT INDUSTRY.

ii.—FACTORY LEGISLATION.¹

It is not the object of this work to present what unfortunately we do not possess, a history of English factory legislation. Still less can we enter into the minutiae of the legal regulations. Our object is rather to examine the forces which brought about the earlier laws for the protection of the workers, forces which are showing themselves in the same way in other countries to which the Great Industry has come later, and which will have the same obstacles to overcome.

The manufacturers have been the ruling class in the State since 1832, so that an investigation of this sort will give us some insight into their change of attitude as regards the position of the workers and labour in general. Many employers opposed the agitation for factory legislation during its first decade, and many tried to avoid carrying out those regulations which had become law; but it is clear that from the very beginning the resistance was not solid or universal. Marx gives a brilliant description of the campaign led by capital against the factory legislation, but though his details are perfectly correct, we must not lose sight of the fact that a legislature which was entirely under the control of the propertied classes was the first to attend to the matter, and that England's factory legislation is still the most efficient machinery for the protection of the worker in Europe; while even Marx admits that it denied the workers right to sell

¹ The historical portions of the following section are based upon the reports of the Parliamentary debates and committees, and upon Alfred's *History of the Factory Movement* (London, 1857), 2 vols.

himself into slavery by "Free Contract," saved him from degeneration, and protected him from physical ruin.¹

The three stages which we have already observed may again be traced in the history of factory legislation. The first factory laws were carried in the teeth of the great majority of the employers. They were carried on the plea of Christian principles, and as part of the Conservative reaction against the utilitarian conception of the State as existing merely to enforce contracts. But the more important factory legislation of the middle of the century found powerful supporters among the employers, and particularly those concerned in the most advanced branches of industry. And now at last we have entered upon the third period in which the protection of labour is passing out of the hands of its high-born champions and the benevolent employers into the hands of the working men themselves. But when the workmen came into power, they found the principle of factory legislation already established. We have seen that the Parliamentary Committee of the Trades Union Congress has hitherto only brought about minor alterations in the existing factory legislation, though doubtless the future will bring further legislation, such as a normal working day for adult male labour, in its train.

In this section we shall only deal with the first two periods. The history of factory legislation in England, and, indeed, in Europe, opens with the names of two men, *Robert Owen* and *Sir Robert Peel* [the elder], both of whom were amongst the greatest employers of their time. This fact disposes of any idea that the factory legislation was extorted by the workmen. Indeed, at the beginning of the century they had no influence whatever in the formation of laws.

Owen, who was looked upon by thousands of workmen as the prophet of the golden age, was, at the same time, the first employer who had tried actually to establish a community of interest between Trade and Workman. Owen wrote many pamphlets to

¹ Marx: *Das Kapital*, vol. i., pp. 253-298, third edition. Translated by Moore & Aveling as *Capital* (London: Swan Sonnenschein, 1883-85), new edition 1891, pp. 249-289.

show how the oppression of the worker was a loss to the State, and the excessive labour of children both to the State and to the parents, since every shilling earned by a child's premature work was the loss of a pound in wages when he arrived at man's estate. The employers were not acting on sound economic principles in sparing no cost to perfect their lifeless machinery, but decreasing the productivity of their living machines by unreasonable child labour. "Since the general introduction of inanimate mechanism into British manufactories, man, with few exceptions, has been treated as a secondary and inferior machine. Give but due reflection to the subject, and you will find that man, even as an instrument for the creation of wealth, may still be greatly improved."¹

But the most important thing to note about Owen's principles is that he put them to a practical test. In his own spinning mill he had actually introduced a ten hours' working day, and his magnificent educational institutions were based on the idea of combining education and work in the lives of the children. While Owen was thus raising up a class of workmen hitherto unknown in England, the prosperity of his business gave eloquent support to his theory.

The spinning mills at New Lanark, with their workmen's cottages and manifold educational and benevolent institutions, were celebrated far and wide. Philanthropists visited them, and potentates kept themselves informed of their progress. Owen's plans for the regeneration of society were based on the results attained in his community. He aimed at re-organising society on the basis of communistic association, and forgot that his success at New Lanark depended on special conditions, such as his own unusual power of inspiring love and respect, and the exceptional character of the working population he had educated. Nevertheless, it remains a fact that the history of modern methods of production begins with an employer of the Great Industry, whose care for the well-being of his people is a model for succeeding generations, just because he did not aim at making his workpeople de-

¹ Robert Owen : *Letter to the Owners and Superintendents of Manufactories*, 1823 ; quoted by Alfred, I., iii., 36.

pendent, but at raising their mental and physical level, and thereby increasing their productive power. His name is looked on as that of a saint by thousands of working men, and Owen is still a favourite Christian name among the working classes.

Owen was not the fanatic that his antagonists represented him as being. His business success proves it, and so does his perception that most of the employers and workmen of his time were not yet ripe for his schemes. He was the first to demand a comprehensive measure of legislation for the protection of the working men.¹ His demands were as follows:—

1. "To limit the regular hours of labour in mills of machinery to 12 per day, including $1\frac{1}{2}$ hours for meals."

2. "To prevent children being employed in mills of machinery until they shall be 10 years old, and that they shall not be employed more than 6 hours."

3. "That children of either sex shall not be admitted into any manufactory—after a time to be named—until they can read and write in a useful manner, understand the first four rules of arithmetic, and the girls be likewise competent to sew their common garments of clothing." ²

In close connection with these points was Owen's demand for universal compulsory education. The economic grounds on which he based these proposals were the same as those which, many years afterwards, reconciled the English employers to the factory laws, namely that the productive power of the workers was prematurely destroyed by child labour, and that by introducing compulsory education they would secure a class of labour that would very likely be no less in quantity, and would certainly be of higher quality. But even if laws for the protection of the worker should really reduce the sum total of production, it would be a gain, not a loss, to the employer. Laws which would affect all in the same way, and make unfair competition impossible,

¹ See R. Owen : *Manufacturing System* (1818) ; and R. Owen : *Letter to the British Employers* (March 30th, 1816).

² *Manufacturing System.*

would operate against over-production and the spirit of trickery, which expresses itself in cheap and bad commodities and a fall in prices, ideas which point already to a desire to limit production in general, and regulate it by the demand of the markets.

Owen's achievements were far ahead of the times. The first factory legislation was brought about by quite another set of considerations. At first it only dealt with the cotton industry, and was then extended to woollen and linen manufactures.¹ Afterwards silk manufacture was included, and from the textile industries legislation spread to the other branches of the Great Industry, and finally to the minor trades. The cotton trade, though it was not the first to be affected by the industrial revolution, took such a rapid start at the middle of the century that it was the first to exhibit to any considerable extent those conditions which are usually associated with the rise of the Great Industry. As long as steam-power was not extensively applied, the small and simple machines of the earliest factories which rose along the water-courses of the hill districts of northern England were especially adapted for child labour. As there were not enough children in the neighbourhood the manufacturer made arrangements with the parish authorities for the supply of cheap labour from the southern counties. In this way many waggon loads of pauper children, boys and girls generally under ten years of age, were sent to the headquarters of the cotton trade. "Apprentices" meant productive force, for the use of which there was nothing to pay, which was included in the inventory at auctions, and was rapidly and recklessly consumed as a cheap and easily replaced material. As early as January 25th, 1796, the voluntary "Manchester Board of Health" made a protest against this practice, which kept the whole neighbourhood in danger of infectious diseases.²

The elder Sir Robert Peel, who was both a great cotton spinner and a member of Parliament, advocated State interference for the protection of the factory apprentices on philanthropic and Chris-

¹ The statute of 1802 (42, Geo. III., c. 73), although referring to "cotton and other mills," was applied almost exclusively to cotton.

² Alfred, p. 27, vol. i.

tian grounds. He declares that on visiting his own factory, which employed about 1,000 children, he was struck by their unhealthy appearance and stunted growth, and in a speech in the House of Commons on June 2nd, 1802, he expressly said that his main object in advocating these laws was the improvement of the religious and moral education of the children.¹

The Act of 1819,² which was also introduced by Sir Robert Peel, merely adapted that of 1802 to the altered conditions of industry. When steam became the universal motive power the cotton spinning industry was transferred to the towns, and was then in a position to dispense with the pauper children to whom alone the law of 1802 applied. The town populations afforded an adequate supply of juvenile labour, and the children sold by their parents in a "free" contract ousted adult labour. It was on this occasion that Sir Robert gave utterance to the saying which has been so often quoted since, "The great effort of the British ingenuity whereby the machinery of our manufactures has been brought to such perfection, instead of being a blessing to the nation, will become the bitterest curse."³

The further laws of 1825 and 1833,⁴ as well as the agitations which accompanied them, sprang from the same roots. The movement was not supported by the employers, the greater number of whom still resisted all factory legislation to the uttermost. It was pushed forward by men who from Christian motives combated the greed of gold which would sacrifice innocent children, while its chief opponents were the Liberals, the manufacturers, and the Political Economists.

Prominent among the advocates of factory legislation comes *Richard Oastler*, a "church and king Tory of the old sort." His

¹ The Act of 1802 (42, Geo. III., c. 73), only applied to children obtained from the parish authorities. It limited the working day to twelve hours, prohibited night work, etc.

² 59, Geo. III., c. 66.

³ Alfred, vol. i., p. 39. It is significant that Peel opposed freedom of combination. See Brentano: *Arbeitergilden der Gegenwart*; vol. i., p. 119; p. 124 in his *Guilds and Trades Unions*.

⁴ 6, Geo. IV., c. 63, and 3 & 4, Wil. IV., c. 103.

motto was, "the Altar, the Throne, the Cottage." He has himself told us how he came to throw himself into the movement. He held that just as British laws were to be interpreted in accordance with Christian principles, so likewise should those principles guide the development of British trade, while the poor and oppressed, and above all, the children, had a special claim to the consideration of a Christian Government; and when he began to apply these theories to contemporary society, Oastler came to the conclusion that the factory system, bringing as it did both moral and physical degradation upon the poor, and exploiting the children in the most cruel manner, was contrary to the law of God, and therefore opposed to the spirit of the British Constitution. But Christian employers had to choose between following the example of unscrupulous oppressors, or being ruined by competition with them. The constitution of a Christian State and the modern factory system were, therefore, as antagonistic to each other as light and darkness. The name, "King" of the factory children which was first given him in scorn by his opponents, grew to be a title of honour;¹ in fact, in later years his missionary campaigns were veritable triumphal marches.

Oastler was passionately devoted to his task, and it was that which made his popularity. His own views on the subject were expressed as follows (*Alfred*: vol. i., pp. 233, 234):—
"Those who blame me for having been violent in this cause should consider the deep, the solemn, the overwhelming conviction on my mind of its vast importance. . . . I saw my young and helpless neighbours dying excruciatingly by inches under the lash and toil of the factory monster; I heard their groans, I watched their tears; I knew they had relied on me, they told me so. I was visited by their weeping mothers, who, sorrowing, showed me their children's bleeding wounds, and in accents which such mothers alone could speak, asked, 'Is this fair, sir? Is it not enough that these poor things should be killed by labour, while doomed to earn our bread, and *must* they also be kicked, and lashed, and struck in this fashion?' . . . I saw full-grown

¹ *Alfred*: vol. i., p. 257.

athletic men, whose only labour was to carry their little ones to the mill long before the sun was risen, and bring them home at night long after he had set. I heard the curses of these broken-hearted fathers! They were loud and deep, but registered, never to be forgotten."

We can see that it must, indeed, have been a terrible state of things which roused Oastler to his agitation, and that his fundamental idea was the protection of the helpless.

Beside the agitator, Oastler, stands *Sadler*, the parliamentary spokesman of the movement. He, too, is actuated throughout by Christian motives. When, for instance, he received the sketch of Sir John Hobhouses' Bill (1 and 2, Wil. IV., c. 39), which limited the working day to twelve hours for persons under eighteen, and forbade night work for those between eighteen and twenty-one, he writes (on Nov. 20th, 1831):—"I am persuaded that *ten* hours can never be receded from by those who love children, or who wish to obtain the approbation of Him who was, indeed, their friend and lover." He turns on the Political Economists, "the pests of society and the persecutors of the poor," whose principles "have led to the degradation, misery, and destruction of the working classes,"¹ at the same time that Oastler thundered against "the bloodthirsty factory tyrants," who called themselves Liberals, and raved about the liberation of the negro slaves, while they were less liberal to their own "white slaves" than the West Indian planters, who, at any rate, allowed their negroes to grow up before they made use of them. Most of the Conservative supporters of factory legislation, among whom we may particularly mention Lord Ashley, afterwards Earl of Shaftesbury, took the same tone. Sadler lost his seat in the election for the Reform Parliament, and Lord Ashley then took charge of the movement in the House of Commons for the protection of the workers. The life of the Earl of Shaftesbury which has lately been published² shows how he, like his predecessors, took up the work from Christian principle. There is no need to dwell further on him here, for he is the best known

¹ Alfred, p. 131, vol. i.

² *Life of Seventh Earl of Shaftesbury*, by Edwin Hodder (London, 1887).

personality in the history of English Factory Legislation.^o He himself had no idea of attacking the manufacturers in the interests of the landowners, and so taking vengeance for the Reform Bill ; but these motives, undoubtedly, inspired many of his supporters, and were of great weight in the movement.

The manufacturers, *i.e.* the bulk of the Liberal party, opposed the agitation for the protection of the workers during its first decades. It was the period of the unlimited supremacy of the classical Political Economy, which meant that economic events were regarded from a purely capitalistic point of view. Men accepted in all good faith views such as those enunciated by *Augustus Lee*, a Manchester spinner, before the Parliamentary Committee of 1816. It was his opinion, based on long experience of cotton spinning, "that any attempt to regulate free labour by legislation would in its consequences inflict the severest injury on the class of persons it was designed to serve; that the alleged evils principally arising from difference of skill, care, and management, would have their best remedy in the direct interests of the parties concerned; the circumstances of trade are so complicated and different, that no general rule can be devised without great unequal pressure,"¹ etc. etc. Besides this there was, of course, the bugbear of the decline of industry, the flight of capital to foreign lands, etc. etc. It is clear, indeed, how far Owen's ideas were in advance of those of his fellow manufacturers.

The objection raised by the opponents of the early factory legislation were almost identical with those we have since had to listen to whenever a similar agitation has been on the *tapis*. What they were may be seen from the resolution adopted on March 5th, 1831, by the master woollen spinners of Halifax.

It laid down the following principles:—"An enactment which will abridge the hours of labour. . . Will cause a proportionate reduction of wages. . . It will materially cripple the means of those who have large and young families, who, in many instances, are the main support of their parents." Legislation of the kind contemplated would raise the cost of production, and, therefore,

¹ Alfred : vol. i., p. 58. ² *Ibid.*, vol. i., p. 109.

the price of commodities, which would injure the working classes themselves, and strengthen foreign competition. The effects of legislative enactments would be "totally unwarrantable on the grounds of humanity and kindness to the labouring classes."¹ The undeniable abuses were attributed to the working of natural laws, for which nobody could be held responsible. The "operative classes," they said, were at that time subjected to "the *actual necessity* for voluntary (*sic*) labour," by "the political and domestic circumstances of this country, *which, alone*, call for and demand the present long hours of application and labour."² Lord Brougham, the chief of the scientific statesmen of the period, headed the opposition to factory legislation. According to him, the "protection of property" was the sole function of an "enlightened government," the protection of the workers he considered to be an unwarrantable interference with the laws of supply and demand, and the limitation of child labour an infringement of the right of parents.

But it is certain that the manufacturers who supported him did not, all of them, do so in good faith. How could men who had, as Justices of the Peace or county magistrates, refused to pass sentence on open breaches of the law—as they continued to do even after the Act of 1844—say that they respected the laws of Nature which overruled the regulations of a dilettante states-craft?³

The same charge may be brought against employers who compelled their hands to subscribe to a fund for defraying the fines they incurred for breaches of the law.⁴

But, at the same time, we must not overlook the fact that it was the Reform Parliament, in which the bourgeoisie were supreme, which passed the Act of 1833. This was the first *méasuré* in any degree effectual, for it was the first which provided for government inspectors. And, in truth, even then a

¹ Alfred, vol. i., p. 112.

² *Ibid.*, vol. i., p. 111.

³ The "Relay System," which made it impossible to prove a breach of the law, is a case in point. (See Marx: *Kapital*, 3rd ed., vol. i., p. 273, *sqq.*; p. 267 of trans.)

⁴ Report of the Select Committee of 1832, question 7349.

number of manufacturers advocated factory legislation ; not a few of whom were Conservatives, and actuated by Christian motives. Amongst these was *John Wood*, who was the cause of Richard Oastler taking up the agitation for the factory legislation. On the occasion of a visit from Oastler, John Wood first made him acquainted with the treatment to which the children and juvenile workers were subjected. In his own factory the children worked 13 hours, while in those of his competitors 14 to 18 was a not unusual time ; he himself allowed 40 minutes for food and rest, his rivals generally less, and in some cases the children had to continue their work even while eating. These conditions prevented his introducing improvements, but he made Oastler vow on the Bible, "in every page of which he read his own condemnation," to endeavour to remove the cruelties practised on the factory children.

John Fielden contributed a very different element, reason instead of feeling, to the movement. He was the first Liberal employer who advocated State interference instead of the *laissez-faire* policy of the Liberals as represented by the manufacturing interest generally, and was a forerunner of the revolution which has, in our time, replaced the Radicalism of John Bright and the economic orthodoxy of Cobden by Socialism. John Fielden of Todmorden (in Yorkshire) had worked as a boy in his father's factory. Thence he had raised himself to the position of one of the greatest cotton spinners in England. His cotton goods were known in all the markets of the world, and the name of Fielden was synonymous with honesty and a spirit of courageous enterprise. He knew the work in the English spinning mills of the time from personal experience, and when his colleagues asserted that it was neither too protracted nor too fatiguing, he could tell how exhausted he himself had been as a boy after only ten hours' labour. On the other hand, he maintained, both on the ground of forty years personal experience and of carefully-considered calculations, that a reduction in the hours of labour was a condition indispensable to the continued prosperity of the cotton trade. His main argument was that this would lessen the over-

production which had reduced prices to such an extent as to absorb the profits of the employer, and bring privation on the worker, while benefiting no one but the foreign consumer. Moreover, the lengthening of the working day, and the reduction of wages consequent on it, robbed the English workers of their purchasing power, whereas they ought to have been the most important consumers of home industry. If the manufacturers were to go on underselling each other, as they had done between 1815 and 1832, by grinding down their work-people, ruin was inevitable.

In 1832, Fielden was returned to the first Reform Parliament by the newly enfranchised borough of Oldham, the headquarters of the cotton trade. In the same way, a few liberal supporters of factory legislation came into the House from neighbouring boroughs of a purely industrial and Liberal type, in which, be it noted, the influence of the manufacturers was decisive. The principle of legal protection of the workpeople thus won its first recruits from the most advanced branch of the Great Industry, and within this branch, again, it was the greatest employers, who commanded the best machinery, that were the first to come forward. But, as soon as the rank and file of the cotton manufacturers felt the weight of restrictive legislation, they exerted themselves to get these regulations extended, in all their details, to the other textile industries. Thus, we see how, in protective legislation as elsewhere, it is only the first step which is hard. The interest of those already affected will force them to press for its extension. For instance, before the Act of 1833 was passed, an association of cotton spinners had been formed in Manchester for the prosecution of transgressors of the factory laws—a measure adopted by the large manufacturers working in the publicity of the towns against the smaller and more remote country factories.

At this time, the wool, flax, and silk manufacturers were almost all opposed to the factory laws, the degrees of opposition being fairly indicated by the order in which we have mentioned them. The woollen manufacturers, whose business was, for the most

part, a branch of the Great Industry, offered the least resistance, while the silk manufacturers, who were the last to adopt the improvements in machinery, were the fiercest in withstanding legislation. It was the wool-spinners of Bradford who first joined with the cotton-spinners of Lancashire to promote the extension of the Factory Act. On the 22nd November, 1830, the representatives of the 23 largest worsted spinning mills in Bradford met to promote a legislative enactment for the reduction of the hours of labour in their industry.¹ The correspondence which took place upon this subject between the manufacturers of Bradford and Lancashire reminds us of the "trusts" of the following period in the stress it lays on the reduction of consumption. All this militates against the common idea that the extension of machinery is prejudicial to the worker. We have seen, and shall see, that it is the industries that have made the greatest technical advances which offer the most favourable conditions to the worker.

The Act of 1833 embraced all the textile industries.² It was supported by a strong minority of the employers, and was passed by a Liberal Government. The great agitation for the Ten Hours Bill was conducted between 1833 and 1847. The object in view was to reduce the time of labour to ten hours a day for all women and young persons, and the ruling classes found compliance with this demand far more effective than any repression could have been against the revolutionary labour movement, which reached its climax at this period. Throughout the earlier periods the Conservatives fought for the Bill shoulder to shoulder with the more advanced of the Liberal manufacturers. But when, after a first

¹ Alfred: p. 105. It was customary to speak of the reduction of hours of labour without qualification, when what was really meant was a reduction in the hours of children, young persons, and women. In the case of textile industries, which depended on child-labour, the distinction was, however, merely formal.

² This law, (3 & 4, William IV., c. 103,) forbade night work for persons under 18, and further enacted a maximum of 48 hours per week for children (9-13 years), and of 69 for young persons (13-18 years). There were modifications in the case of the silk manufacture.

instalment of legislation in 1844, the Ten Hours Bill was at last carried in 1847; it was introduced by the Liberal employer, John Fielden, while the Conservative Cabinet of the younger Peel opposed it. Such changes had time brought. All the representatives of the great industrial centres in Lancashire, who were practically returned by the employers, were Liberals or Radicals, and had become advocates of factory legislation; side by side with John Fielden other great cotton manufacturers, such as Brotherton, who represented Salford, and Hindley, who represented Ashton, were particularly conspicuous.

The agitation for the Ten Hours Bill had done much to direct the revolutionary movement into peaceful channels. In the stormy assemblies held in the North during the thirties and forties by the advocates of legislation, workmen and employers first came together with a common interest at heart. It is true that the speeches of the workers, and still more those of their leaders who did not belong to the working classes, were often violent enough; but the question affected the working men so nearly that it was impossible for them to hold aloof from it as a policy of social revolution would have dictated. At a meeting held in Leeds, 9th September, 1837, the Rev. J. R. Stephens, who was one of the speakers, said that for the first time since the outbreak of the class struggle they had got "a conference of millowners, overlookers, and operatives, to deliberate on the interests of all."¹ The union of the Liberals (*i.e.* the employers) and the working classes originated in the movement for a ten hours' day, rather than in the contemporaneous agitation for the abolition of the Corn Laws, and the industrial peace of modern England rests largely on this union. Such a combination was only rendered possible by the growth of a conviction first among the employers, and then among the hands, that they all had a common purpose, which did not exclude the clash of individual interests, but yet bound them together as factors of a single productive system.

The reasons now adduced for the protection of the workers

¹ Alfred: p. 118, vol. ii.

were, indeed, very different to those of the first Conservative champions of such legislation, whose endeavours were, as far as possible, to exterminate the factory system. A pamphlet written by two great Yorkshire employers (Messrs. *W. Walker and W. Rand*), contains one of the best defences of protective legislation which can be urged from the employers' point of view. It was written in answer to the objection raised by the Secretary of State on the occasion of their waiting upon him on behalf of factory legislation, and is dated 17th November, 1841 (cited by Alfred, vol. ii., p. 173).

The first objection that "interference with labour" or parents' rights "is improper" they no longer treat as serious, and merely answer that the policy of non-interference had already been abandoned in the previous legislation. Next, they briefly point out the need for protecting the "hands" on moral and hygienic grounds. Then follows a statement of the advantages which the proposed legislation would offer to the employer. It was universally admitted that it was impossible to maintain a twelve hours' day throughout the year, as the consequent over-production would swallow all profits. The working day had not, during the last seven years, actually exceeded an average of ten hours, "moreover, the usual amount of orders would be executed with ten hours daily labour," and "the markets would thereby be kept more regular," the price would be kept up, and "employment and wages would not be subject to so many vicissitudes." Even if legislation were to lead to an increase in the cost of production, the disadvantage would be slight compared with the advantages pointed out; for "the extent of its influence upon the price of the manufactured article would not exceed what is often effected by the fluctuations of a single market day." Furthermore, the advantage to the worker of a reduction in the working hours would be great. The objection that it would lower wages had already been disposed of, since the average time of employment would be the same, and it would only be the alternation from over-pressure to want of work that would be decreased. It was this alternation more than anything else which stood in the way of the elevation of the working

man. Though the factory legislation might well effect a rise in wages by increasing the demand for labour, yet, in any case, such a result would not be prejudicial to the employer. In fact, everything which improved the condition of the workers was so much gain to him. England's great advantage over her foreign competitors was that she possessed "the most skilful and industrious people on the face of the globe." This was the reason why production was less costly in England than on the Continent, whence it might be inferred, that any rise in wages, which might result from a factory Act, would not necessarily mean an increase in the cost of production, since it would entail an improvement in labour. Thus, for the first time, the idea which Robert Owen had worked out thirty years before, that elevation of the workers was to the interest of the employer, was brought into the field of practical politics side by side with the desire to limit production.

The Ten Hours' Movement ended with the legislation of 1844, 1847, and 1850 (7 & 8 Vict., c. 15; 10 & 11 Vict., c. 29; and 13 & 14 Vict., c. 54), of which the last¹ was designed to cope with the numerous contraventions of the earlier laws consequent on the "relay system" which could not be proceeded against. After the middle of the succeeding decade, this legislation was extended from the textile to other industries, particularly by the Extension Act and Workshop Regulation Act of 1867 (30 and 31 Vict., c. 103, and 30 and 31 Vict., c. 146), a point which is of no particular interest here since the motive forces remain unaltered. Again and again we are met by the fact that the great industries willingly take up the protection of the worker; while the lesser branches, and particularly those which are still in part handicrafts offer a vehement resistance. The whole of the law on the subject was consolidated

¹ This Act replaces the legal working time of ten hours by a legal working day from 6 a.m. to 6 p.m., within which time intervals amounting to 1½ hours must be allowed for meals. Moreover, it gives a Saturday half-holiday after 2 p.m. It applied to all persons included under the earlier Act. See also Appendix, p. 293.

in 1878,¹ but Europe owes this, the first effective code for the protection of the workers, to the fact that legislation only proceeded step by step, beginning with provisions for the most advanced branches of the Great Industry where the social evils of the system were first developed. In this way the resistance which meets all such legislation was split up. At first the agrarian interest stood up as sole champion of the cause of the factory hand, then the employers of the industries already affected by legislation were one after another led to support its extension.

As far as the Great Industry is concerned, the employers are now entirely converted to the principle, and almost every session of Parliament sees improvements in the existing regulations and provision for the development of the law in particular points and its adaptation to the advances of industry. But there is this difference between past and present. During the last fifteen years the workmen, *i.e.* the Parliamentary Committee of the Trades Union Congress, have taken the development of the factory legislation into their own hands. A clear perception of their stake in the national industries deters them from making extreme demands. For instance, fear of injury to the trade upon which they are dependent recently induced the cotton operatives of Lancashire to declare against a legal eight hours' day.² We see then in this matter that we must only look to a gradual advance which will be faster or slower in many industries according to the progress of the question in other countries; but neither can we doubt that the end of this class of legislation is not yet within sight. In particular the public mind is being shaken from the opinion that we must only legislate for women and young persons, and must leave the adult male worker to shift for himself.

The case is very different in the trades which have not yet adopted the methods of the Great Industry. Legislation has shown itself as helpless with regard to the handicrafts and domestic trades as it

¹ The Factory and Workshops Act, 1878, 41 Vict., c. 16.

² [They have since returned to their traditional position, and are now pressing for an eight hours bill for cotton factories.]

is powerful in the factories. All the reports of factory inspectors agree on this point, and the position of the seamstresses who are "sweated" in the dens of East London is just as bad to-day as it was in Kingsley's time, fifty years ago, or at the time of the "Children's Employment Commission," which sat from 1862 to 1866. Nor can any improvement be looked for as long as the work is generally done in the homes of the workpeople. Legislation and Trade Unions can do much more indirectly than directly to put an end to this state of things. For every new demand the worker can make good lessens the power of these antiquated methods to compete with those of the Great Industry, which on its side has shown that its superior economic organisation fully enables it to meet the new conditions. Then unhealthy conditions will be replaced by healthy,¹ the intermediary class of starving sweaters will disappear together with the starved workers, and be replaced by a well-to-do working class.

In the Great Industry the factory legislation has actually put an end to most of the crying abuses of the beginning of the century. The effect of the Acts of 1844 and 1847 may be seen in the following figures:—In 1835, 56,903 persons under thirteen were employed in the textile industries, while in 1850 there were only 40,875—a decrease of about 27 per cent.; in 1870, there were 75,877 such persons occupied in the same industries in England and Wales; in 1885, 76,091; that is to say, in the textile industries, which are the main employers of child-labour, the number of children employed has remained the same during a period of fifteen years, while the number of adult workers has increased 13 per cent., from 642,174 to 737,733.² These facts

¹ The introduction of the sewing-machine has, so far as the large clothing factories are concerned, had a beneficial effect both on the health and on the rate of wages of the needlewomen. In establishments worked on the factory system where steam is used as a motive power, the workrooms are healthier and the hours shorter than under the small masters. Cf. *Die Englische Fabrik-Gesetzgebung*, von Dr. E. Plener, Wien, 1871. Trans. as *The English Factory Legislation*, by F. L. Weinmann (Chapman & Hall, 1873). Introduction by A. J. Mundella.

² *Statistical Abstract for the United Kingdom* (1888), pp. 164, 165.

refute the contention of Engel and Marx, that child-labour inevitably supplants that of adults.

On this as on many other points there is an apparent contradiction between the industrial developments of England and of the Continent, which disappears if we take the England of fifty years ago instead of the England of to-day as the term of comparison.

CHAPTER VIII.

THE EVOLUTION OF THE GREAT INDUSTRY.

iii.—FREEDOM OF COMBINATION.

THE factory legislation with which we have been dealing has contributed much to industrial peace, but we have now to treat of a parallel development which has had a far greater effect, namely, the change in the attitude of the legislative and of the ruling classes towards combinations of working men. And here again we recognise our three periods:—(1) Suppression during the first decades of the century. (2) A period of semi-recognition during which the Unions were jealously hedged in by penal regulations. This began before the Reform Bill had placed the industrial employers at the helm, and covered the half century (1825-1875) during which they gained and kept the power of the State. (3) The period of full and complete recognition of the Unions, together with the removal of all hampering regulations. This period was entered upon as soon as the working classes attained their civic majority, and, at first as allies and supporters of the liberal party and then on their own account, became a political force.

Combinations of the weak against the strong are as old as human history. The Middle Ages teem with them, the craft-guilds were formed to resist the oppression of the burgesses, and in their turn were opposed by the fraternities of the journeymen. In the industries which produced for the foreign market, and were the first to develop the struggle between capital and labour, we find combinations of journeymen to keep up or raise wages or for similar objects, as early as the fourteenth century, in the second half of which there were strikes in the wool-weaving trade,

which, as Brentano points out,¹ only differed in point of time from those of the nineteenth century. The industries which first emerged from the handicraft stage were the cradle of the combinations of working men. We have already observed that both in England and in Germany the last century was, to say the least of it, no less fruitful in labour disturbances than the present one. The employers succeeded in passing a whole series of laws, some of them of Draconian severity, designed to suppress combinations of working men. In England they are called the Combination Laws, and culminated in the Act of 40 George III., c. 106, which was passed in 1800 in response to a petition from the employers. It made all trade combinations illegal.² Workmen were prohibited from entering into an agreement designed to obtain an advance in wages, to alter the usual time of working, to decrease the quantity of work, etc., or to exercise any kind of control over the employer, on pain of imprisonment. In the same way it was enacted "That every journeyman or workman who shall . . . enter into any combination to obtain an advance in wages, or to lessen or alter the hours or duration of the time of working, or to decrease the quantity of work . . . or shall by giving money or by persuasion, solicitation or intimidation or any other means, wilfully and maliciously endeavour to prevent any unhired or unemployed . . . workmen . . . from hiring himself to any manufacturer . . . or who shall for the purpose of an advance of wages . . . decoy, persuade, solicit, intimidate, influence or prevail . . . on any journeyman . . . employed . . . in any such manufacture . . . to quit . . . his work . . . or who shall wilfully and maliciously hinder . . . any manufacturer . . . from employing such workmen . . . as he shall think proper . . ." should be imprisoned for a period not exceeding three calendar months, or be sentenced to not more than two months' hard labour.

¹ *Das Arbeitsverhältnis*, p. 37 (Leipzig, 1877). For the origin and growth of Trade Unions see his *Arbeitergilden*, vol. i., or his English work on *The History and Development of Guilds and the Origin of Trades Unions*.

² Napoleon's Code Pénal (1802), art. 414-416, made similar enactments.

The result of this law, which was expressly designed to put an end to strikes altogether, is an instructive example of the usual effect of such measures. The workmen's associations, which had frequently hitherto been formed quite openly, became secret, while they spread through the length and breadth of England. The time when the books of the Union were concealed on the moors, and an oath of secrecy was exacted from its members, is still a living tradition in labour circles. It was a time when the hatred of the workers towards the upper classes and the legislature flourished luxuriantly, while the younger generation of working men who had grown up under the shadow of repressive legislation, became the pillars of the revolutionary Chartist movement. The old struggle against capital assumed a more violent character; amongst men who knew that in any case they were breaking the law; damage to property, bodily injury and so forth, were no longer branded as especially criminal. Strikes often led to serious crimes, and in both Scotland and Lancashire they not infrequently resembled actual insurrections. For a time an organised terrorism prevailed in the centres of industry, and was maintained even at the price of blood. This was the case, for instance, in Glasgow, between 1819 and 1823. The following oath was quoted during this period as having been exacted from all new members of a certain Scotch Union. "I . . . do voluntarily swear in the awful presence of Almighty God and before these witnesses that I will execute with zeal and alacrity, as far as in me lies, every task or injunction which the majority of my brethren shall impose upon me; as the chastisement of nobles,¹ the assassination of oppressive and tyrannical masters,² or the demolition of shops that shall be deemed incorrigible; and also I will cheerfully contribute to the support of such of my brethren as shall lose their work in consequence of their exertions against tyranny"³

At the same time many of the Lancashire manufacturers armed

¹ i.e. "Knobsticks" or "blacklegs."

² See Mrs. Gaskell's *Mary Barton*.

³ Quoted by Mr. Wallace in the House of Commons, June 27th, 1825. See Hansard's *Parliamentary Debates*, N.S., vol. xiii., p. 1402.

their factories with cannon. The working classes felt that they were being unjustly treated in being made the subjects of this exceptional legislation, a feeling which Carlyle declares to lie at the bottom of all movements inimical to the peace of society. Here as elsewhere it was proved that nothing stimulates law-breaking so much as crowning it with the halo of martyrdom.

In cases where the employers waived the rights given them by the Act of 1800, the state of things was more satisfactory. In a dispute in the printing trade, for instance, in 1816, the masters explicitly surrendered their powers under the Act, so that the question was dealt with and settled between the two Unions. In the same way, from 1819-23, the woollen cloth weavers of Leeds and Dewsbury had an avowed Union with which neither the employers nor the magistracy attempted to interfere, and the relations between capital and labour were unusually friendly in those towns. The millwrights again possessed a tolerably extensive organisation by this time. The Combination Laws were defended on the pretext that the conditions of labour being regulated by law, the arbitrary interference of the labourer could not be permitted. But when the Elizabethan Statute of Apprentices was repealed, in 1814, this pretext disappeared. Adam Smith was quoted as justifying the repeal, but it did not occur to any one that his system would demand the abolition of the Combination Laws with equal emphasis. Nor did Ricardo, the apostle of *laissez-faire*, attack them from his place in Parliament, it was only after his death that he was quoted in the interests of repeal.

It was the patent failure of the Combination Laws which gave the stimulus to the suggestion of repeal soon after 1820. But the tone of the speeches, even of those who disbelieved in repression, was that combinations of working men were a public nuisance and menace to society. No one doubted that the employer had the exclusive right to regulate his business, including the terms of employment. Public opinion was very far from grasping the idea that the workmen had just as good a right to their say in the matter. None the less we may regard such practical men as *Joseph Hume*, the parliamentary sponsor

of the law of 1824, as having been pioneers on the road to industrial peace. At that time the turbulent generation of working men who were to organise the revolutionary labour party in the following decades had just come to manhood. It was Hume's Act which opened to their children a path by which they could pursue their objects in a more peaceful, and as they soon perceived, a more effectual way. The social evil had not as yet been correctly diagnosed, but the ever growing symptom of class hatred had led to the abandonment of the mistaken treatment of repressive legislation, and Nature was left free to apply her own remedy.

On March 1st, 1823, the repeal of the Combination Laws was moved by *Peter Moore*. The campaign was renewed by Hume, with better success, in the following year. The proceedings in connection with the Bill are of great interest. It was urged in favour of the repeal that "the laws against combinations had tended to multiply combinations, and that they had greatly aggravated the evil they were intended to remove."¹ Only too often when the penalties had been enforced the injury had recoiled—in the last resort—upon the employer. The speakers had obviously no idea of placing the workman on the same footing as his employer, as is shown by their repeated attempts to interpret the Common Law as rendering a workman liable to criminal proceedings for breach of contract.² The employers on their side sent up numerous petitions against the repeal, the Lancashire manufacturers excusing themselves from giving their evidence in person on the ground that they were afraid of the workmen's vengeance, a plea which proves the terrorism that then existed.

The resolutions drawn up by the Select Committee³ set forth that combinations of working men were spread all over the kingdom, that "prosecutions have frequently been carried on under

¹ Hansard's *Debates*, May, 1823, *N.S.*, vol. ix, p. 545, *sqq.*

² Hansard: *N.S.*, vol. x., pp. 147, 149, 146, and Mr. Huskisson's speech, p. 150.

³ Sitting in the Spring of 1824, resolutions given in Hansard (May 21st, 1824), pp. 811, 812.

the Statute and the Common Law against the workmen, and many of them have suffered different periods of imprisonment for combining and conspiring to raise their wages . . ." that strikes were frequently accompanied by great violence, that "the laws have . . . not been efficient to prevent combinations . . ." that the combinations of the masters to "lower the rates of their workmen's wages, as well as to resist a demand for an increase, and to regulate their hours of working . . . had been followed by . . . riotous proceedings . . ." The laws "have in the opinion of many of both parties had a tendency to produce mutual irritation and distrust, and to give a violent character to the combinations, and to render them highly dangerous to the peace of the community."

The result of the committee's labours was that the Combination Laws, instead of being, as some had desired, rendered still more stringent, were repealed, whereby the course to be followed by the social development of England was decided. The Act of 1824 (5, George IV., c. 95) begins by repealing the Statutory Combination Laws, and further enacts that "workmen . . . who shall enter into any combination to obtain an advance or to fix the rate of wages, or to lessen or alter the hours or duration of the time of working, or to decrease the quantity of work, or to induce another to depart from his service before the end of the time or term for which he is hired, or to quit or return his work before the same shall be finished, or, not being hired, to refuse to enter into work or employment, or to regulate the mode of carrying on any manufacture . . . shall not therefore be subject to any indictment or prosecution for conspiracy, or to any other criminal information or punishment whatever, under the Common or the Statute Law." Sec. 5 of the Act contains penalties against those who attempt to force workmen "by violence to the person or property, by threats or by intimidation," to "offend as herein mentioned."

The immediate consequence of this Act was the outbreak of a number of somewhat serious strikes. The general public then took fright, and thus the real struggle for the right of combination began

after it had received legal recognition. In 1825, the employers rallied and demanded the re-enactment of the earlier laws on the ground that Parliament had carried their repeal with undue precipitation. At the same time the younger Peel, then Under-Secretary of State, declared that "something ought to be done to check the evil that was now in active operation,"¹ and he afterwards spoke of "those abominable combinations which interfered essentially with the freedom and prosperity of trade"² He opposed the old law if for no other reason at least for its inefficiency, but he was entirely of opinion that it ought to be possible to institute criminal proceedings against those workmen who incited to breach of contract, even though they did it by methods not otherwise regarded as criminal.³ The manufacturers went still further. They looked upon any combination of workers formed with a view to regulating by any means whatsoever terms of employment for persons not connected with them, as an interference with that freedom of the individual which the law must protect. They did not realise that the freedom of every individual is daily, and often sharply, curtailed by the influence of his fellows. The only question is whether the means by which life, and especially industrial life, is regulated, are legitimate or not. Joseph Hume contended fairly enough that a barrister who took less than the customary fee would, as the working men said of a man who took less than the Union rate of wages, be "made uncomfortable."

The Act of 1825⁴ which repealed that of the previous year, was a compromise in which the opponents of free combination had gained the upper hand. But they had been frustrated in their attempt to stamp out the Unions with all the rigour of the law, for the champions of the Act of 1824 were in a position to demonstrate that the recognition of combination had already done something to improve the relations between capital and labour. It had at least done away with that secrecy which in itself constituted a

¹ Hansard : (May 4th, 1825), *N.S.*, vol. xiii., p. 371.

Ibid., p. 1464.

³ *Ibid.*, pp. 367, 371.

⁴ 6, George IV., c. 129.

danger to the State ; and now that the Unions were openly avowed, their methods had become less violent. Nevertheless, the influence of the manufacturers strongly predominated in framing the Bill ; and careful consideration was given to their petitions without regard to the thousands of signatures on those of the working men.

The Act of 1824 had left the working men perfectly free to combine, only giving the magistrates summary jurisdiction over certain offences which might be committed in connection with these combinations ; now they were once more prohibited from combining except in one special instance ; the Act was not (§ 4) to "subject any persons to punishment who shall meet together for the sole purpose of consulting upon and determining the rate of wages or prices which the persons present at such meeting, or any of them, shall . . . demand for his or their work, or the hours or time which he or they shall work in any manufacture . . . or who shall enter into any agreement . . . amongst themselves for the purpose of fixing the rate of wages . . . [which they] shall . . . demand for . . . their work, or the hours . . . for which . . . they will work." At the same time any attempt "by violence to the person or property or by threats or intimidations, or by molesting or in any way obstructing another," to force any one to quit work was made penal. The penalties were ostensibly for definite acts, the use of violence, threats, and molestation ; but the last of these terms could be so stretched as to cover almost any Trade Union action not included in the other two, and it was practically impossible to organise a strike without illegality. It was further made penal to attempt to compel an employer "to make any alteration in his mode of . . . carrying on [his] . . . business, or to limit the number of his apprentices."¹ The penalty was imprisonment for a period not exceeding three months, and was brought by special provision within the jurisdiction of the magistrates ; while the right of appeal from their de-

¹ This prohibition, too, is practically universal, for it is qualified only by the vague phrase, "violence to the person or property of another or by threats or by molesting or in any way obstructing another."

cision was of very little significance, since it lay to the Quarter Sessions, where the J.P. element, drawn in the manufacturing districts from the ranks of the millowners, was predominant. Moreover, the repeal of the Act of 1824 re-opened all the possibilities of procedure at common law with its undefined penalties for conspiracy which were thenceforth frequently held over the heads of the Trade Unions and strikers."¹

The preamble to the Act of 1825 bears the date of class legislation. ". . . . And whereas such combinations are injurious to trade and commerce, dangerous to the tranquillity of the country, and especially prejudicial to the interests of all who are concerned in them. . ." The only advance on the state of things previous to 1824 which had been secured was the fundamental point that a combination of working men was not in itself illegal—though almost any action which could rise out of such a combination was prohibited. Yet it was under the Act of 1825 that the Trade Unions grew and attained to that important position in which we find them at the beginning of the seventies. Here was emphatically a movement which the law might force into illegal channels, but could not suppress.

The workmen were only protected from prosecution in the event of their meeting to discuss the wages or hours of *those present*, which would not even cover the regular meetings of officers for the transaction of business. Furthermore, any agreement not to work in the company of certain persons, or to incite others to strike, and so forth, remained subject to proceedings even if the agreement was only between the persons present at the meeting. In fact, no workman could undertake to do anything as a member

¹ "Conspiracy" included a combination to injure an individual or a class otherwise than by a criminal or fraudulent act, according to the rulings of Lord Bramwell (in 1867) and Lord Esher (in 1872). The present interpretation is different according to the Criminal Code Commissioners of 1878; and in Mr. Justice Stephen's *Digest of the Criminal Law*, "Conspiracy to injure otherwise than by fraud finds no place amongst crimes known to the law" (see Sir Kenelm Digby's article, *The Law of Criminal Conspiracy in England and Ireland*, in the *Law Quarterly Review*, April, 1890).

of his Union without rendering himself liable to prosecution. The more important strikes were still followed by a number of sentences which led to widespread agitations among the working classes. It was sensational sentences such as that of six Dorsetshire labourers (in 1834) to seven years' transportation, by which the existing class hatred was fostered and prolonged. Nor was it lessened by the fact that, since the Trade Unions had no existence in the eye of the law, misappropriation of the funds of a union could not be punished. (*Cf. Hornby v. Close, 1866.*)

It is worthy of note that the same Whig ministry which brought the manufacturers to power under the Reform Bill, threatened to attack even the scanty remnants of freedom left to the working-men's combinations. The attack was only averted by the obvious good already done. From the evidence before the Parliamentary Committee of 1838, it appeared that although the combinations of working men were still very widespread, and frequently very obnoxious to the employer, strikes had, nevertheless, assumed a friendly character in comparison to those of an earlier period, and it was the exception for them to give rise to violence.

The average opinion of the time looked upon the Unions as illegal combinations, which coerced the weak and ignorant workmen, and as the creation of paid agitators who made their living out of them. They were bodies with whom it would be beneath the dignity of an employer to treat. Not infrequently when victorious in a struggle with the men the masters insisted on their forswearing their Union, which of course did not put an end to it, but only drove the members into falsehood and secrecy. The best known example is that of the Amalgamated Society of Engineers, who agreed to suppress their Union after their great defeat in 1852. As a matter of fact the Union took a fresh lease of life, and is now the strongest in England.

The most serious danger that the Trade Unions encountered was in the course of the sixties. Under the leadership of one *Broadhead*, certain Sheffield Unions had entered on a course of criminal intimidation of non-members. The general public took

their action as indicating the spirit of Trade Unions generally. In point of fact, the workmen employed in the Sheffield trade were in a wholly exceptional position. To begin with, the large majority of the workers were not over thirty or thirty-two years of age, in some cases not more than twenty-eight,¹ besides which, it is a trade that from peculiarities with which we shall deal later, presents exceptional difficulties to a strong Trade Union organisation. But both in Parliament and the Press it was declared that the occurrences at Sheffield called for more stringent legislation and the suppression of combinations of working men.

The main argument by which the manufacturers sought to give a scientific colour to their enmity towards the Unions was now as formerly their alleged infringement on the liberty of individual workmen and artificial interference with the natural adjustment of the market to the laws of supply and demand. If out of the 800,000 manufacturing "hands" 530,000 were Trade Union members, this only showed that they lived under a wide-reaching system of tyranny, the existence of which the legislature ought not to allow.

But times had changed since 1825. The Unions themselves called for the most searching inquiry into their circumstances and methods, which would, they declared, prove that they were in no way implicated in such crimes as had been committed in Sheffield. The impulse given by Thomas Carlyle had raised powerful defenders for the workmen, first among whom we may mention the positivist *Frederic Harrison*, and *Thomas Hughes*, the co-operator. They laid stress on the view that the Unions, far from infringing the freedom of the individual, were the *sine qua non* of the workmen's liberty, inasmuch as they put him in a position to regulate the terms on which he would sell his labour as freely as if he were selling any other commodity; so that they alone made the hypothesis from which the political economist starts actually possible. It would be a crying injustice to suppress them, and one which, if only so much as attempted, would plunge England into the fiercest internecine struggle she had ever seen. At the

¹ Brentano, *Arbeitergilden*, i., p. 284 (not included in the English work).

same time they showed how the germs of the new industrial order, which was to replace the anarchy of the present, lay in the Unions, and that any sporadic signs of a spirit of violence which might still cling to them were but a result of the old days of oppression. These contentions were supported in Thornton's *Claims of Labour*, by which John Stuart Mill was converted.

The preliminaries to the appointment of the Commission of 1867 revealed a change in the attitude of the employers, especially the more influential of them, which marked an enormous advance on the debates of 1824 and 1825. Sir Francis Crossley, a manufacturer employing 5,000 hands, took up the position which is in truth the only one tenable as a basis for industrial peace. "There was," he said, "a good deal of unreasonable feeling abroad, that it was wrong for working men to stand to sell their labour at the best price; but it must be remembered that their labour was the only thing they had to sell. As when they went to sell goods, so when they went to buy labour, they must meet argument by argument, and in his opinion, in the trade differences that had occurred, the fault was quite as much with the masters as with the men. If there was not so much desire to run down the price of labour, and masters showed a more conciliatory spirit, there would be fewer strikes and outrages. They must not expect too much of Parliament. Anything practical that was to be accomplished must be brought about by the wise discretion of the masters and workmen in their dealings between themselves. If masters would try to get the best productions, instead of the cheapest, there would be fewer strikes."¹

In the sessions of 1870 and 1871, the grounds on which the more enlightened employers advocated the complete legalisation of combinations of working-men were that in no other way could costly wage contests be avoided, or friendly relations established between masters and men. Mundella, for instance, said that though he knew their weak points well enough, he considered that the Trade Unions afforded the only method of reaching the workmen *en masse*, with a view to negotiation. Another speaker said,

¹ *Hansard's Debates* (Feb. 8th, 1867), vol. clxxxv., pp. 196, 197.

that, "For nearly forty years he had been acquainted with a Trades Union formed in every town in the North of England carrying on the carpet manufacturing trade, and during the whole of that time not a single strike had occurred. Every negotiation for an advance or reduction of wages had been conducted at meetings of the masters and workmen; and the results, he believed, had invariably given satisfaction to both parties."¹ Others pointed out that they had suffered from strikes which had occurred because the Union was weak in their trade, and the leaders had not been in a position to keep the ignorant masses in check. Moreover, it was stated that unionists were better workmen than non-unionists. On the other hand, the older views were not without their representatives. It was unsuitable for an employer to discuss points with his workmen, nor was it fair to treat them *en masse*. The ideal was a personal bond between a workman and his employer, and this the Unions had broken.

The investigations of the Commission of 1867-1869 were of a most searching character, and their results are contained in eleven reports.² The Unions came well through the ordeal, and it was shown that the outrages had been confined to a few Unions, for the most part of minor importance. It further appeared that where no combination existed the relations between employers and hands were not more friendly, while the position of the workers was worse, and in some cases quite desperate. The report led up to proposals for the legalisation of Trade Unions, and to the legislation of 1871-1876, which was supported by many influential employers. The attitude of Parliament had changed with amazing rapidity. Even at the opening of the Commission the need for stronger repressive legislation had been strongly insisted on. Only a few years later the right of combination received such universal recognition as to leave the workman nothing to desire. The real grounds of this change lie in the Reform Bill of 1867, which raised the working men to such a position of political strength that they could no longer be neglected by the Liberal

¹ Hansard's *Debates*, vol. ccv., p. 813.

² 1st to 4th, 1867; 5th to 10th, 1867-68; 11th and final, 1868-69

party. By the various acts passed in the beginning of the seventies to legalise Trade Unions, the Liberal party took the first step in that gradual process which has made it the representative of labour, and thereby hindered so far the rise of a distinct labour party on the model of the German Social Democracy.

The Trade Union Acts of 1871 and 1876 give all Unions, on condition that they register their rules, the same rights as were already enjoyed by the Friendly Societies in virtue of earlier legislation, *i.e.* the rights of legal personality. They can sue and be sued, possess real and personal estate, and can proceed summarily against their officers for fraudulent conduct. They also possess facilities for the transfer of investments to new trustees.¹ The Act of 1871 was extended by that of 1876, framed expressly with the concurrence of the Trade Union leaders. For one thing the Act provides for the transfer of Trade Union funds lying in the Bank of England or Ireland, if the trustee in whose name they stand shall become bankrupt, or if he "becomes a lunatic, or is dead, or has been removed from his office as trustee, or if it be unknown whether such person is living or dead." The Act also provides (sec. 5) that "the jurisdiction conferred . . . upon the court of summary jurisdiction for the place in which the registered office of a Trades Union is situate, may be exercised either by that court, or by the court . . . for the place where the offence has been committed;" "the jurisdiction" being the right to take action against officials for fraud, etc.

In fact, England has made great advances towards recognising the principle that a corporate body, as such, is a legal person. This is a triumph for the collectivist, as opposed to the individualistic conception of law, for, according to the latter, it is only in exceptional instances that pluralities of persons can be given the right of legal personality, and even when this is done, it must be by the artificial method of an Act of the State. Quite lately the question has been mooted among English jurists, whether the law shall take the final step, and recognise every society which has formally notified its existence by registration as entitled to legal

¹ These provisions are in secs. 8-12 of the Act of 1871.

recognition, and as capable of holding property. The Friendly Societies Act of 1855 (18 and 19 Vict., c. 63) empowered "one of Her Majesty's principal Secretaries of State" to extend the privilege of legal personality to societies contemplating other ends than those recognised by the Act as constituting Friendly Societies. This provision, which was re-enacted in 1875 (Consolidation Act, 1875, 38 and 39 Vict., c. 60, s. 8 [5]), has actually led to frequent extensions of the right of legal personality, as, for instance, in July, 1878, when it was given to all societies for the promotion of Literature, Science, and Art. In fact, this power is now so widely used that almost all associations, except those formed for business purposes—and they, too, enjoy very great freedom—can become legal persons by merely registering themselves. When this right of forming bodies with corporate existence is completely recognised, special legislation to protect special societies, such as the Trade Unions, will become superfluous.

While the latest developments of English law have tended to remove the semblance of any special privileges being granted to the Trade Unions by the legislation in their favour, we must remember that a political or semi-political character has never exposed associations in England to special legal restrictions; but if absolute freedom to assume corporate existence is an ideal as yet only approached, the freedom of combination which underlies it has been a reality ever since the repeal of the Combination Laws. Even the Chartists, revolutionists as they were, were never punished except for definite offences committed, and though the punishments were sometimes vindictive enough, yet no attempt was made to control or suppress suspected societies.

The right of combination presupposes the right of public meeting, and particularly of holding those open-air meetings upon which a mass movement must depend. This right has long been considered one of the inalienable prerogatives of the English citizen. The working men, now that they are left to conduct their meetings in any way they choose, have gradually developed that sober and methodical procedure which amazes the Continental observer.

The result of this state of things is not far to seek. In France the Trade Unions are subjected to the closest State supervision, their rules and regulations being entirely dependent on the sanction of the officers of justice.¹ Even so late as under the second Empire, meetings of workmen out on strike were frequently prohibited and dispersed by the police, so little was the right of public meeting respected. France has thus undermined the working men's self-reliance and feeling of personal responsibility; they look for everything to the State, which they regard as all-powerful to put an end to all real or imaginary social evils. If the State does not fulfil their expectations, the fault is laid at the door of the Government then in office. They have only to change it, *i.e.* to wrest the power from the rich and give it to the poor, and the golden age will arrive forthwith. The ground of the social revolutionary tendency manifested amongst the peoples of modern Europe is to be found in the fact that the State suppresses that capacity for self-help which expresses itself in the combinations of the weak against the strong, and thereby weakens the cords which bind the individual to the existing order; but the time-honoured foundations of English liberty afford the indispensable basis on which to raise the new fabric of society, which is to bring not Revolution, but Social Peace.

The conclusive treaty of peace was first rendered possible by the removal of that penal legislation which had prevented the working man from enjoying the rights of English citizenship. This was accomplished by the Criminal Law Amendment Act of 1871, and the Conspiracy and Protection of Property Act of 1875 (34 and 35 Vict., c. 32; and 38 and 39 Vict., c. 86). We spoke of the penal legislation which threatened the Trade Unions when discussing the Act of 1825; but in this, as in other cases, the doctrine of the Common Law, as it had been developed by the judicial rulings of the courts, was far more unfavourable to the working men than the Statute Law. At Common Law, any action of Trade Unionists to raise wages seemed liable to punishment as conspiracy, on the ground that it was directed against

¹ Law of April 10th, 1834. Code Pénal, art. 291.

the common weal. The course run by the actual prosecutions did, indeed, prevent this doctrine from ever receiving the sanction of a sentence expressly founded on it; but it gathered in ever heavier thunders over the heads of the Unions, and its very vagueness gave it the appearance of a deliberate persecution of one class of society in the interests of another.

The Act of 1871 first brought within definite limits the extreme penalties that could be enforced against Trade Unionists either at Statute or Common Law.

Another Act of the same year established the right of the Unions to proceed against fraudulent officers, and it is significant of the temper of the legislature that from this Act all matter referring to offences by Unionists and their punishment was carefully excluded. There must not be so much as an appearance of treating Trade Unions as exceptional organisations needing exceptional control. Nevertheless, it was still maintained in Parliament that the working man received less favourable treatment than any other citizen. It was allowed that compulsion of every kind, so far as it was unlawfully exerted, whether in compelling a man to leave or not to accept work, or in any other matter, justified the intervention of the Penal Law. And this was all that the Act contemplated. But the rulings of the courts had overstepped this limit in treating "coerce," the expression used in the Act, as virtually synonymous with "induce." In the Hammersmith Police Court, for instance, a man had been sentenced, under the Act of 1871, for distributing printed leaflets which merely invited the men to strike. This was certainly not an act of violence punishable under general laws, but only such an attempt at persuasion as the ordinary citizen might have made without punishment. A memorial to the Home Office in March, 1872, from the committee of the Trade Union Congress, serves to show the feelings with which exceptional legislation was regarded, not by the irreconcilables, but by those workmen who had adopted the attitude, already characteristic of the Unions themselves, of cordial acceptance of the existing basis of industrial society. The memorialists state that their fundamental objection to the

Criminal Law Amendment Act (1871) is that it is "founded upon the presupposition of criminal intentions on the part of that large section of Her Majesty's subjects known as Trade Unionists," who "are as peaceably disposed as any other of Her Majesty's subjects, and are as opposed to any violation of the letter or the spirit of the laws of the land, either openly or secretly."¹

By the Conspiracy and Protection of Property Act of 1875 the workmen's economic aims were at last recognised on precisely the same footing as those of other citizens. The representative champions of labour themselves, Thomas Hughes and Frederick Harrison, did not go so far as to say that there should be no special penalties for misconduct of strikers, or that they should simply be dealt with according to the ordinary Criminal Law. But in their postscript to the report of the Royal Commission of 1867 (11th and Final Report, p. 53 of statement appended to Dissent, iii.) they say, "The policy of imposing exceptional penalties upon the labouring population *en masse*, and as such, and recognising in that class exceptional offences, is a principle vicious in itself, and long discredited. Nothing but some extraordinary danger to the public safety, or some peculiar proneness to crime, can justify such an anomalous system."

The Act of 1875, which superseded both that of 1871 and the Common Law on the subject, is careful to distinguish between these exceptional cases of public calamity and those of damage to any private interests however great. In the first case only does it allow criminal proceedings to be instituted, and then only when there has been a breach of contract. Otherwise no punishment can be inflicted; for in the ordinary course of things breach of contract is not criminal. But (38 and 39 Vict., c. 86, s. 4) "where a person employed by any company . . . in the duty of supplying any . . . place . . . with gas or water . . . breaks a contract of service with that . . . company . . . having . . . reasonable cause to believe that the probable consequences of his so doing . . . will be to deprive the inhabitants of that . . .

¹ Quoted by G. Howell: *Conflicts of Capital and Labour*, 2nd ed., p. 294.

place wholly or to a great extent of their supply of gas or water, he shall . . . be liable to pay a penalty not exceeding £20. . .” (s. 5). The penalty is the same “where any person breaks a contract of service . . . having reasonable cause to believe that the probable consequences of his so doing, either alone or in combination with others, will be to endanger human life, or cause serious bodily injury, or to expose valuable property, whether real or personal, to destruction or serious injury. . .” Moreover, intimidation, molestation, and besetting others is still penal, if done with a view to compel them to do or leave undone anything in which they are legally free to choose. The word “compel,” which only applies to the use of actual force, is substituted for the older “coerce.” At the same time strikers may establish pickets so as to keep themselves informed as to who goes to work, or for the purpose of peacefully persuading others to abstain from work. Nor is it criminal to incite to breach of contract; it only becomes so when the pickets abandon peaceful persuasion, and offer to exercise force, as, for instance, when they are present in such numbers as to make access to the place of work difficult or impossible.

We may consider that the development of the legislation we have described above reaches its goal in the laws as they now stand, since the Trade Unions have declared themselves satisfied with them. Now at last legal penalties have their due effect, since they are no longer considered unjust by a large section of the community. Latterly, when strikers have endeavoured to force others to leave their work by illegal means, the employers have made representations, and the headquarters of the Union have consequently refused the strike pay without which the branch associations are helpless. In other cases they have declined to defend workmen who were prosecuted for similar actions.

With the legislation of 1871-1876, the reason for that distrust which hitherto had separated the workers from the upper classes, and especially from their employers, disappeared. It is wonderful how rapidly the revolution has since progressed, changing the Trade Unions, once considered a danger to the State, into an important

section of the Liberal party, ever growing in influence.¹ It was not much more than ten years after the capitalist press had demanded the suppression of the Unions with all the rigour of the law, that the secretary of the Parliamentary Committee, *Mr. Broadhurst*, a man who worked his way upwards from the position of an ordinary mason to that of president of his Union, was made Under-Secretary of State in *Mr. Gladstone's* ministry. No fact could be more significant of the way in which the full and equal citizenship of the working man is acknowledged, not only theoretically, but in both politics and society. Industrial peace can only be regarded as consummated when the energy and ambition of the intelligent workman of superior powers finds its scope not in opposition to the State, but *in* the State; when the highest offices which affect the regulation of labour stand open to him. It is then that the working man feels that he fulfils an important and influential function in the organism of society.²

And with this change comes the possibility of a new personal relation between employer and employed, superseding that old condition of dependence of which no trace now remains. So far as the mutual relation between them is not the purely economic one of two dealers in the market, it is a sort of political alliance between men who think for themselves, who have a common interest at heart in the industrial greatness of England, and who share those ideas which now move the progressive party alike among the workmen and the employers. The nature of these ideas is

¹ The Parliamentary Committee of the Trade Union Congress, which has been in existence since 1871, may be considered the political representative of the Unions; it is elected on the last day of the Congress, which has met annually since 1868.

² I may be excused if I recall here a conversation I had with a working man as we stood together outside the Exchange of Manchester, from the babel of which we had just escaped. "There," said my companion, pointing to the Exchange, "is the first and oldest source of Lancashire's greatness; but this," he continued, pointing to a modest sign on one of the neighbouring houses, showing it to be the office of the *Cotton Factory Times*, "this tells of the newer force which will have a yet mightier effect on the future of Lancashire."

exemplified in the election address of a great Manchester employer, who was returned (in the Spring of 1889) by a purely industrial constituency in which the labour vote was decisive. The candidate declares that he believes heart and soul in the Trade Unions, and thinks that by pursuing their objects intelligently they will contribute to the success of British industry; he further declares himself a friend of the temperance movement, which is associated with Liberalism in England, in favour of non-intervention in foreign affairs, an advocate of international arbitration, and of the settlement of the Irish question by some measure of decentralisation. The candidate's confession of faith also shows a socialistic undertone which would formerly have been impossible in a Liberal employer in England. He calls for State intervention on behalf of the masses, but it is characteristic that education, and particularly technical education, is the only point which he specifies as one in which the State might be more active than heretofore. In conclusion, he points to the community of interest between employer and employee, identifying his interests as a manufacturer with those of the constituency.

Indeed, we can see signs in such an election campaign of something more than a cool intellectual union between workman and employer, and it suggests the possibility of some revival of personal relations. Most of the candidates' workpeople belonged to the Amalgamated Society of Engineers. It is well-known that this is one of the most powerful Unions in England, with more than 50,000 members, and some hundreds of thousands of pounds in accumulated funds; its members are highly skilled workmen amongst whom every trace of dependence has disappeared. In countries where the labour movement is forced into an opposition to the State, they would have voted with one accord for a revolutionary candidate. But these English working men did more than vote for their employer, which might have been simply due to exceptional circumstances. The election was for a different division to that in which the candidate's works were situated, the engineers being strongly represented in both districts. The secretary of the central society therefore, a veteran who had

been among the foremost in every labour movement since the days of Chartism, wrote in the name of the committee to support the candidature. Taken in connection with the oath given above, in which the unionist swears, if called upon, to murder the factory tyrant, his words throw so much light on the advances made in the direction of industrial peace that I give them. "In reply to yours dated the —, I beg to say that Mr. — is one of the best employers of labour in Lancashire, and had I a hundred votes he should have them all. His firm was one of the first to give the nine hours to his workmen; and during the past depression in trade Mr. — never reduced wages, and Mr. — told me that he hoped to live to see the day when the workman should receive something more than the wages for his labour.¹ As a friend of the poor and needy he is second to none, and one of the greatest advocates for giving a sound education to the children of the working classes. I speak of Mr. — as I have found him during this past 25 years, as being one who in my opinion has always been going about endeavouring to do good."

It is true that Continental observers have lately declared that the rise of the movement associated with the name of *John Burns* threatens the newly concluded peace, and they even add that a revolutionary Labour party like that on the Continent will follow sooner or later. But we must regard these views as erroneous. It is only human nature that in the English labour world, with its Trades Union Congress, modelled on the lines of parliamentary representation, there should be a Radical party which assumes an attitude antagonistic to the recognised authorities. But it must also be remembered that under existing circumstances the only practical methods for the attainment of the objects are peaceful ones. The leader of the New Unionism may go further than the established heads of the Trade Union movement, but if so, his ambition is not revolution and death on the barricades, but rather,

¹ This refers to a profit-sharing scheme, to take the form of a bonus on wages, which fact shows that the Trade Unions are not uniformly opposed to this method of remuneration. The gas-workers strike in 1889 gave rise to considerable misunderstanding on this point.

possibly, a place in the Cabinet instead of an under-secretaryship of State.

When we look back on the history of the battles which have been fought during the century for the freedom of combination, we see the lesson they contain both for the governing classes, which in nineteenth century England means the employers, and for the working men. This lesson is pointed out by *George Howell*, an esteemed writer on Political Economy, who was himself a working man and at one time secretary of the Trade Union Congress Parliamentary Committee. He says that the history of England will teach the governing classes once for all "that repressive laws are ineffectual as well as dangerous and oppressive; that their effect is demoralising on the mind; and that men's ideas of right and wrong become confounded, until a sense of injustice brings about the worst evils of violence, even to ferocity." "Men who know that they are criminals by the mere reason of the object which they have in view, care little for the additional criminality involved in the means they adopt." While the English statesmen have thoroughly learnt their lesson, the working men are making the teaching of history the guiding star of their course. In Howell's opinion, workmen, if they study the labour question aright, "will perceive and understand the wisdom of moderation in all their demands; that the duty which they owe to the State, of which they are component members, is to pursue their objects peaceably, and in a constitutional manner; and furthermore, that sooner or later, if the claims put forward are reasonable and just, they will be granted by the legislature. With their present political power, if it be wisely used and directed, no demand, if based on justice, can long be refused; but those who denounce the injustice of others, must be careful not to incur a like condemnation, by reason of their own departure from the principles of equity."¹

¹ G. Howell: *The Conflicts of Capital and Labour*, 2nd ed., chap. iii., p. 126.

CHAPTER IX.

THE EVOLUTION OF THE GREAT INDUSTRY.

iv. —THE COMMUNITY OF INTEREST BETWEEN WORKMAN AND EMPLOYER UNDER THE MODERN SYSTEM OF PRODUCTION.

THE Factory Acts, and still more the organised Trade Unionism which was made possible by freedom of combination, have raised the English working classes far above the position of their ancestors or of their Continental contemporaries. If this advance had been incompatible with or even detrimental to the present method of production, it would have no significance except as an abnormal growth. It could not be regarded as the basis of that gradual and peaceful revolution which is to raise the working classes into a definite partnership in the spiritual inheritance of mankind hitherto monopolised by the few. If the position were one of "war to the knife" between workman and employer it would be impossible that peaceful methods of settling labour disputes, on the lines of the present English development, should permanently prevail. Equally impossible would be the political union we have observed between the working men and their employers, for such a union can only rest upon a sense of community of interest. The most that could be looked for would be a temporary truce, and the future of the working classes could only be built upon the ruins of the society of to-day. The strikes which shake all Europe in our time would then appear to us as they did to the founders of Social Democracy in the middle of the century, as merely the preliminary skirmishes ushering in the great Armageddon, the Social Revolution of their prophecies. We should read them as warnings of a coming explosion, not as signs of imperfections in the machinery which will disappear as we learn to understand it better.

In saying that the development of the Great Industry and the

advance of the interests of labour are mutually interdependent, I must guard myself against a misconception. I do *not* assert that the interests of master and men are the same. A certain opposition of interest is involved in the very nature of the present methods of production. Master and men have to share, as wages and profit, the surplus which remains when the cost of production has been subtracted. Higher wages—if the other factors remain constant—mean lower profits. The problem which cannot be disguised by any beneficent schemes for the good of the workers, resolves itself, as all economic divergencies of interest must, into a question of the balance of power. It is, therefore, incorrect to say that higher profits are in themselves an advantage to the worker. This assertion becomes contemptible when it takes the form of a declaration that for an employer to lead a life of luxury is in itself a gain to his workpeople. High profits only help them in so far as they establish the possibility of a rise in wages. Nor is this divergence of interests anything exceptional, it is the universal outcome of the economic conditions of our day. A rich harvest in the American plantations only rejoices the heart of our cotton spinners in so far as it gives them a prospect of a fall in the price of raw cotton. The attitude of the workman towards the employer's profits is just the same. How far the English working men are from looking upon higher profits and a luxurious life for their employer as an advantage to themselves might have been seen clearly enough from the expressions used to the representatives of the German manufacturers by *Mr. Trow* of Darlington, one of the most respected Trade Union leaders, who declared "with almost cynical frankness" that the object they pursued with unswerving consistency was to win more and more of the profits of industry for the workmen.¹

But the antagonism is economic, that is to say, neither party wishes to annihilate the other. The two sides are actually dependent on each other, and neither can trench upon

¹ See the *Berliner Volksblatt* of Nov. 26th, 1889, and the *Berichte der von industriellen und wirtschaftlichen Vereinen nach England entsendeten Kommission zur Untersuchung der dortigen Arbeiterverhältnisse* (Berlin, 1890).

their opponents' means of subsistence without injury to themselves. The minimum that the employer must allow to the workman is clear. He must leave him the means of existence and reproduction. When wages are near this minimum they may be regarded as corresponding to the cost of production of labour, an instrument of production which exists in almost unlimited quantities, and may be replaced at pleasure. But if the worker comes in the character of salesman of a commodity, a position only to be gained by combination, which makes it possible for him to regulate the supply, then, like other merchants, he gets something more than the mere cost of production. In the earlier stages of the Great Industry, which must always be associated with the name of Ricardo, we find the conditions first described. In the course of the century there came the rise in the workers' wage and standard of living, which ran parallel to the growth of their own industrial organisation. But in the course of the contests which settled the relative power of work-giver and work-taker, the workers learnt from cruel and frequent defeats that at any given time there was an impassable limit set to their demands. Wages can be raised by a fall in the cost of production, which is made up of interest on capital, cost of machinery, cost of raw material, etc. But boundaries are sternly fixed by industrial facts in this direction, and beyond this the worker is thrown back on reducing the profits of the undertaker. Here, too, there is at any given time a maximum above which he cannot rise, just as there is a minimum below which he cannot be pushed—for a certain scale of profit is necessary to induce an undertaker furnished with the needful means and qualifications to enter or remain in an industry. It is clear, indeed, that this rate of profit will vary. It can be reduced by the extension of general and technical education among the middle classes ; by an adjustment of the inequalities of fortune, and by the increased facilities for qualifying for the direction of industry which would then follow ; by the spread of the Joint Stock Companies with their paid managers, and so forth. Thus, in these relations as in others, a gradual change favourable to the workmen may

well come about, and it seems possible that, as time goes on, the dreams of our social reformers will be realised. But it is also certain that such a change can only come gradually, and that at any given period there will be a limit which cannot be overstepped.

A knowledge of this limit is not immediately accessible to the workman, for he has little insight into the relation between cost of production and profits. Hence the history of the century is full of disastrous contests which have forced upon him, in defeat and penury, the existence of a wage-maximum which does not depend on any action of his. The result has been hastened by the growing intelligence of the working men and their increasing insight into the conditions of their industry, especially where officers of the Unions have been expressly told off to inquire into them; and further by the custom of conferences with the employers to discuss *pros* and *cons*, and negotiate the terms of employment. The workmen have learnt to recognise the limits to the possibility of fulfilling their demands, instead of waiting until they are proved impracticable by unsuccessful strikes. They have learnt to content themselves with what is possible, and even to submit to a reduction of wages when inevitable. Workmen who are abreast of the times only make demands which they feel strong enough to enforce after making a careful survey of the economic and political conditions of the moment. John Burns, amongst others, has repeatedly insisted on this point. But workman and employer have a certain community of interest in the ascertainment and recognition of these limits imposed on either side. Although the employers did not at first realise that by depressing wages below a certain point they were reducing the available labour-power and capacity of the working classes, and so injuring themselves; they have now learnt, as many arbitrators awards show, to acknowledge the workers' claims to the necessary means of subsistence. The other aspect of this partial community of interest consists in the workers recognising and noting the impassable maximum beyond which his demands must not be pushed. Within these limits

all questions of wage and profit are decided by the balance of power, and here their interests are opposed. But that employers and workman are alike conscious of their community of interest, as far as it exists, is shown by the peaceful methods of settling labour disputes and regulating the conditions of labour, with which we shall deal in the following chapter.

With this proviso against misunderstanding, I would ask, what is the effect on the industrial position of the nation when wages rise above the minimum, and when the workmen are in a position to appropriate a larger percentage of the fund to be divided between them and the employers? It is quite evident that when the worker tries to pass the maximum limit for the time being, he injures production; and we have seen how disaster has taught him to respect that limit for his own sake. The point that remains for special investigation is the determination within the limits under discussion of what division between employers and employed will be most advantageous to the industrial position of the community. It is a common mistake to declare that everything which is against the interests of the employer is injurious to the industrial position of the nation. The real question is, whether the improved status of the workers, and the combinations by which it is attained, exercise a beneficial or harmful influence on industry and the power of resisting foreign competition. The question is one of vital importance, for if the condition of unorganised workmen near the subsistence minimum be the most favourable to industry, then the industrial development of England is undermining its own foundations, even though at present it appears to lead to a condition of Social Peace. It would have to give way before the competition of the Continent, whose workers are in a worse position and unorganised, and in like manner, Europe as a whole would then succumb before Indian, Chinese and Japanese competition.

There has been no lack of assertions in this sense. Continental employers have frequently asserted that their growing power of resisting English competition is due to the spread of Trade Unionism in England. They put it as a warning alike before their workmen

and the legislatures of their respective countries, and the views of the employers are enforced by the founders of Continental Social Democracy. They too look upon the subsistence minimum as the natural fate of the working man under the present system of production, and regard any attempt to raise him above it as predestined to failure. But the conclusions of both parties are open to suspicion, since both, on opposite grounds, believe it to be their interest to bind down the workman to the subsistence minimum.

Let us appeal from them therefore to the facts, and ask what has actually been the effect of the improved position of the workers as seen in the higher wages and shorter hours which they have secured. It is clear that other things being equal it will mean in the first place that workers are more expensive; and changes in this direction will always meet with the resistance of the employers, since they reduce immediate profits. What has now to be established is, that as the labourer becomes more expensive, the commodity "labour" becomes cheaper. The total amount that must be debited to "labour" for a given mass of commodities tends towards a similar average throughout the world, however different the scale of wages may be. In the most advanced industries, however, an exception to the rule may often be observed, but in an inverse direction, the rising cost of the labourer is accompanied by a declining cost of labour. The best paid labour is often the cheapest.

The wages of working men in England and America, where the methods of the Great Industry have been adopted, are higher than in Germany,¹ where industry is for the most part still in the transition stage from the earlier to the later system, but the cost of labour is pretty much the same. Naturally enough, even

¹ Even in the textile industries in 1882, 42 per cent. of the workers in Germany were engaged in domestic manufacture, *i.e.* worked in groups of under five persons. This fact is often forgotten in judging of the social conditions of Germany. She has long been in a transition state, and therefore the conditions of her labourers cannot be compared to that of a country which has fully adopted the factory system.

when this fact is ascertained, it does not prevent the employer resisting every concrete demand for an advance in wages, since the law in question works out gradually, and applies to the industry of a country as a whole, not to each individual case taken by itself. Nevertheless, it is of the utmost importance, for if the increasing expensiveness of workers does not mean an increased expensiveness of labour, the higher standard of living which the English working man has extorted cannot be seriously endangered. I shall now give a few examples illustrating the facts I have mentioned, and shall then examine into their *raison d'être*.

Lord Brassey has given his father's experiences on this point to the public in his book on *Work and Wages*.¹ Lord Brassey has collected the material bearing on the wage question which he found in the course of preparing the biography of his father, whose experience was perhaps wider than that of any other employer of labour. In conjunction with his partners, Mr. Brassey constructed railways all over the world, and after long experience he found that the cost of constructing a cubic kilometre of railway embankment is almost the same throughout the world, whether the men employed are Hindoos or Chinese, who live on a handful of rice; or Frenchmen, Italians, and Germans receiving the medium pay; or the highest class of wage labourers, Englishmen, Americans and Australians. In fact, the labour of the highest paid workmen was often preferred as the cheapest. Mr. Brassey was not actuated by philanthropic or patriotic motives in showing this preference, but was merely applying as an experienced contractor the sagacity to which he owed his remarkable success. Greater skill and industry, and better developed physical powers, often counterbalanced the higher pay.

Experience has led many other English employers to the same

¹ *Work and Wages* (London: Bell & Daldy, 1873). See also Brentano, *Ueber das Verhältnis von Arbeitslohn und Arbeitszeit zur Arbeitsleistung* (Leipzig, 1876), and *Ueber die Leistungen der Grundarbeiter besonders in Preussen und die Lohnsteigerung von 1872*, Holzendorffs *Jahrbuch für Gesetzgebung*, etc., 4th annual volume.

conclusions as Brassey. This does not, of course, prevent a rise of wages being hotly contested in individual cases. But, nevertheless, it has changed the attitude of the employers towards the Trade Unions as such. They are no longer regarded as an obstruction in the path of industrial success which is not to be endured. Thus, Sir Francis Crossley, on the occasion of a debate on the Trades Unions Commission of 1867, said: "There was a good deal of unreasonable feeling abroad, that it was wrong for working men to stand to sell their labour at the best price; but it must be remembered that their labour was the only thing they had to sell, and the best thing to do was to leave these matters to take their natural course. It was a great mistake on the part of the employers to suppose that the lowest paid labour was always the cheapest."¹ The well-known ironmaster, Sir Isaac Lowthian Bell, spoke to the same effect before a meeting of the employers in the iron trade of northern England. He said that it was well known that although wages were far lower in France, the cost of smelting a ton of iron ore was, on the whole, much more than in Middlesborough, the explanation being that forty-two Frenchmen only did the work of twenty-five Englishmen.

Brassey's book contains much valuable information on this point. Since the book is out of print we will quote the following examples. In constructing the North Devon railway, wages rose from 2s. to 2s. 6d., and finally to 3s. per diem, and the other conditions remaining the same, it was found that the cost of production fell.² Similar results were observed with regard to extensive drainage works in London. Brassey met with the same experience in constructing the Paris-Rouen railway. Although the English navvies had just double the pay of the French (5s. and 2s. 6d.), the same work was done cheaper by English than by French workmen.³ Similar results were obtained on a great

¹ *Hansard*, 3rd series, vol. clxxxv., p. 196.

² *Work and Wages*, pp. 67, 68.

³ *Ibid.*, pp. 81, 82.

number of Continental, Indian, and Australian lines. And we must remember that the workmen were not found by Brassey himself, but by sub-contractors whose interest was directly involved in the closest possible reduction of expenditure. This was not infrequently secured by employing higher paid workmen.

It is well known that statistics of the cost of production are very hard to obtain, but by comparison with America, where wages are even higher than in England—though this is counter-balanced by the higher price of the necessities of life—we can widen our field of investigation, so that even with the limited supply of information to which we have access, the working of the above tendency can be plainly observed.

Unfortunately, Brassey's information only extends as far as the middle decades of the century, and with regard to the cotton trade alone have I been able to get a few facts which touch the present time. The cotton trade is, however, better suited to our purpose than any other, because the methods and the products are much the same in all civilised countries, and moreover it is the trade of all others which has most completely accepted the factory system. We find that the cost of spinning is less in England and America, where the highest wages are given, than in such countries as India and Japan, where the wages are lowest.¹ For this reason the latter countries find it most profitable to work on those goods in which the cost of labour is least as compared with the cost of raw material, *e.g.* the coarse cotton yarns. Fine yarns are spun in Lancashire, since the price of labour is an important element in the whole cost of production. The Mülhausen Print Works import a large part of the goods they print from England, which shows that they can be produced cheaper there, although wages are higher in Manchester

¹ The transport of one ton of raw cotton from Bombay to Liverpool is 22s. 6d., and the return freight of a ton of cotton yarn to Bombay is 12s. 6d., which is equivalent to a total protective duty of 35s. in favour of Indian spinning.

than in Alsace. The following table will make these facts clear :—

AVERAGE DAILY WAGE OF WEAVERS.			HOURS OF LABOUR PER DIEM.
In Switzerland,	2½-2½ francs	=22½d.-25d.	} about 12 hours.
„ Germany,	- 2 marks	=24d.	
„ France,	- 21-3 francs	=27½d.-30d.	
„ England,	- 2s. 9d.	=33d.	9 hours.
„ America,	- 80 cts.-1 dol. 12½ cts.	=40d.-56d.	10 hours.

1 penny = 10 centimes = 8 pfennige = 2 American cents.

To calculate the cost of “labour” as distinct from wages, we must divide the wage earned in a given time by the amount of some standard quality of goods (*e.g.* calico of the 64 × 64 standard) produced in the time. Then the cost of labour per yard is

$\frac{\text{wages.}}{\text{quantity produced.}}$ Calculated in this way the cost of labour per yard is

d.

0·303 in Switzerland and Germany.

0·275 in England.

0·2 in America.

The following facts explain the reason of this inverted relation between wages and the cost of labour :—

In Switzerland a weaver attends to 2-3 looms.

„ Germany	„	„	„	„
„ France	„	„	„	„
„ England,	„	„	3-4	„
„ America	„	„	6-8	„

England partially compensates for her apparent inferiority to America by the speed of her machinery, which exceeds that of any other country. The following table gives the final results¹ :—

	Weekly Product of One Weaver.	Average Weekly Wage in £ s. d.	Cost of Labour per Yard.
Germany and Switzerland,	466 yards	11s. 8d.	^{d.} 0·303
England, - - - -	709 „	16s. 3d.	0·275
America, - - - -	1200 „	20s. 3d.	0·2

It is the same with spinning. Mr. Redgrave, an English factory inspector, has given interesting information on this point, which is included in Brassey's book. Although it is now twenty years old, we quote some passages from it.² "Comparing the work of a British with that of a foreign spinner, the average number of persons employed to spindles is—in France, 1 person to 14 spindles; in Russia, 1 to 28 spindles; in Prussia, 1 to 37; in Great Britain, 1 to 74. But I could find many cotton spinning factories in my district in which mules, containing 2,200 spindles, are managed by one minder and two assistants. . . . I have recently been told by one who has been an English manager in a factory at Oldenburg, that though the hours of work are from 5.30 a.m. to 8 p.m. every day, only the same weight of work was turned off, under English overlookers, as would be produced in a working day from 6 a.m. to 6 p.m. in this country. Under German overlookers the produce was much less. The wages were 50 per cent. less in many cases than in England, but

¹ The calculations made by M. Victor de la Haye, the French deputy to the conference on the protection of workers at Berlin, gave similar results. According to him the average yearly product of French "hands" is worth 3,342 francs; that of Parisians, 6,123 francs; and that of North American hands, 10,194 francs. The French working day is 12 hours; the Parisian, 11; and the American, 9.

² *Work and Wages*, pp. 101, 102.

the number of hands, in proportion to the machinery, was much larger." In the same way the German calico printers only get from $\frac{1}{4}$ to $\frac{1}{3}$ of the wages paid in Massachusetts, viz. 4 dollars 50 cents. a day. But this remarkably high rate of wages does not seriously affect the employer where one printer and his assistant can print 20,000 yards per diem. Thus the high wage is, within limits, a matter of small importance, almost of indifference; while in Germany, owing to the much smaller production per head, the slightest fluctuation in wages would tell seriously on profits. It is self-evident that the cheapening of labour, alongside of the increased pay of the worker, observable in the cotton trade, is not universal. It can only take place in other advanced industries, and is, perhaps, not so clearly to be traced in any as in this. But what we are interested in showing is the *tendency* of industrial development in its bearing on the position of the worker.

We must now investigate the causes of the phenomenon we have observed. Let us consider first the effect of a rise in wages on a man's power of work. Temporarily, high wages lead to dissipation in a low class labourer, and thereby lessen his power of work. A more advanced workman puts some of them by as savings, especially in the form of increased contributions to his Union, and also raises his standard of living to an extent regulated by the general grade of civilisation of his nation. If the Indian coolie can earn enough in four days to buy rice for a week, he does nothing for the other two days, because he knows no further needs. The Russian, and sometimes the German, if he earns more than a bare livelihood, spends the surplus on alcohol, so that a rise in wages reduces his power of work, instead of increasing it. On the other hand, the workers who, like the English and Americans, spend their higher wages in animal food, thereby add fuel to the "productive machine;" for the physical strength which comes of a generous meat diet is an essential condition of the superior power of work displayed by the English and Americans. Similar considerations give importance to the temperance movement which is so powerful in England. If the employers support it, they do so partly in their own interests. It is a matter of importance to

them that the additional price they pay for their "live machines" should go towards perfecting them.

Mr. Mundella told me that he had once visibly demonstrated the difference in the standard of living among the English and the Continental working men, by actually procuring from Saxony the week's food of a well paid, a fairly paid, and an ill paid workman's family of a given size. Even that of the first family was far below what an average English worker is accustomed to, that of the second and third he would not touch. On the occasion of the recent Socialist Congress the English workmen were surprised at the lower standard of living of even their Parisian comrades, who seldom eat meat, and whose staple food, bread, is of a coarser quality than in England.

Most economists are agreed as to the importance of the higher standard of living, which is the cause of the English workman's superiority. Thus in his *Political Economy* Mill states on German authority that two mowers in Middlesex do about as much work in a day as six Russian serfs, and that, although the wants of the Russians are extraordinarily low as compared with those of the Englishman, yet the English farmer only spends $\frac{1}{2}$ kopek on mowing a piece of land that would cost the Russian proprietor 3 or 4 kopeks. Prof. Fawcett justly remarks that it is just as bad economy to give the day labourers the starvation wages they so often receive, as it would be to attempt to save money by ploughing with a half-fed horse.¹

It is the same with regard to hours of work. Although a sudden change leads to laziness and excess, a gradual shortening of the working day, such as is now taking place among the more advanced nations, has the same effect as a rise in wages. It is impossible too strongly to emphasize the importance of the observations made by Prof. Brentano on his visit to England in March,

¹ The elevation of the physical condition of the workers is an economic advantage to the community, for the reason, amongst others, that it increases the proportion of a man's working life to his years of helplessness. Out of 1000 people there are almost twice as many between 50 and 60 in England as in Russia.

1890, from the mortality statistics of the Amalgamated Society of Engineers. The engineers pay a burial fee on the death of a member or his wife. In connection with this charge on the funds, they have for many years published the average age attained by the members and their wives. According to the report of 1871, it was $38\frac{1}{4}$ for the men, $37\frac{1}{2}$ for the women. In the year 1872 they got the working day shortened to 9 hours. Since then the average age of the men has steadily risen. According to the report for 1889, it had then reached $48\frac{1}{4}$. Part of this improvement is unquestionably due to the general improvement in sanitation, but this cannot cover more than half; the other half must be due to the shortening of the working day; for, whereas the average age of the men has increased by 10 years, that of the women has only increased half as much, from $37\frac{1}{2}$ to 43. For the adult workman this meant one hour a day less work, and 5 years longer life; for the national economy it meant a gain in the proportion of men of working age to those not old enough to work.

But the shortening of working hours has a still more important effect than a rise in wages. The latter improves the physical standard of living, particularly of nourishment, but the shortened hours raise the intellectual and moral standard. Short hours do not mean short work. In summer-time the Russian peasant, working on his own account, begins at two in the morning and finishes at nine at night. Taking out two or three hours' rest this leaves sixteen or seventeen hours work per day. Persons competent to form an opinion consider that an English farm labourer would do the work of two Russian labourers, the latter working sixteen and the former only ten hours.¹ The same facts may be illustrated within the limits of England itself. The miners of South Wales work twelve hours, those of Northumberland who work by double shift, only seven. But the cost of production, according to Mr. (now Sir George) *Elliot*, M.P., is about the same in each case, or if anything, higher in Wales.

¹ Quoted from Mr. Mitchell by Brassey in *Work and Wages*, p. 114. See also below, chap. XII.

The growth of piecework is of great importance. The nine hours movement which sprang from the Trade Unions towards the end of the fifties was not very strongly opposed by the employers, because the more important industries were already conducted on the principle of piecework. Mundella found that in the middle of the seventies at least ninety per cent. of the two hundred and forty millions of English exports were made by piecework. Now, where piecework is the rule, it is an advantage to the employer if hours are shortened and more work done in them. As a matter of fact, the nine hours day is now almost universal in the great English industries, and has never diminished the amount of work done.

The eight hours movement which is just coming to the front will have to depend for success on the same considerations; for the organisation of the workers is still far too weak to force the different countries to regulate their methods of production by international agreement.¹ The English workman therefore will again have to increase the productiveness of his labour, at least in those trades where foreign competition has to be met. The eight hours movement having gained its object in Australia, whose remoteness acts as a protective tariff, may next become practicable in England and America, whereas on the Continent it will long remain a mere item in an ideal programme. Before the eight hours day can become universal the methods of the Great Industry will have to be much more generally adopted and the efficiency of labour greatly augmented.²

¹ For the different conditions of production in their bearing on the international protection of the workers see Brentano's interesting articles in the *Deutsches Wochenblatt*, Feb. 20th and 27th, 1890.

² The position of English politicians towards the eight hours day is somewhat as follows:—It is universally acknowledged as desirable in theory. No one wishes for its universal introduction by law, but an increasing number of Radicals, together with the Tory democrats Lord Randolph Churchill and Lord Dunraven, advocate an eight hours day for certain classes of workers in trades which are not immediately subject to foreign competition, such as miners. Elsewhere there seems a possibility of the municipalities taking the lead. For the Eight Hours Bill in

The significance of the movement we are considering lies, however, in the following considerations. The intellectual acquisitions of humanity, handed down from generation to generation, were once the inheritance of the few. In the ancient world art and poetry were confined to a small body of citizens. From the time of the Renaissance, a process of democratisation has been going on, and the immaterial wealth of European culture is becoming more and more of a common possession. New classes of society are continually pushing up into participation. Since the rise and organisation of the factory hands especially, the "*besoin d' étudier et de penser*," as Jules Simon calls it, has been spreading down to the lowest strata of society in which an unreflecting acquiescence in traditional dependence was once the rule of life. It is true that this need is not yet awakened all through the working classes, but it has already made itself felt in the great European, American and Australian centres of industry. It is impossible to restrain this ever-growing advance. The only safety lies in throwing the doors open as wide as possible, and giving these children of the future such a welcome as to make them not foes and destroyers, but supporters, enlargers, and defenders of the old heritage which embraces the noblest possessions of mankind. This would at any rate be the more in accordance with Christianity, the heart of civilisation, than the opposite course. As a matter of fact, a working class which is as advanced as that of England devotes the leisure it has gained to its further education in public libraries and evening classes of all sorts, or to strengthening its associations, and so perfecting its intellectual and economic independence.¹

But there is yet another consideration which justifies the movement for shorter hours more completely than any other demand

Australia, see Sir Charles Dilke, *Problems of Greater Britain* (1890), vol. ii., p. 290, *sqq.* He lays special stress on the greater efficiency of Australian labour.

¹ For the use the English working men have made of the nine hours movement, see Brentano: *Arbeitergilden der Gegenwart*, vol. ii., pp. 85-102.

of the working classes. The first school of morals, family life, is a closed book against the man who only comes home dead tired late at night.¹ Is it any wonder that men are inimical to the State who are cut off from their families, the only stake in the established order of things which is left to those who have no property? With the shorter hours, family life, which was near extinction at the beginning of this century, has again revived among the English working classes.

The considerations hitherto urged are such as to tell primarily upon public opinion and the legislature. But the employers, too, should consider that a gradual shortening of hours has a favourable effect on the intellectual capacity, and therefore on the productiveness, of their employees. As a matter of fact, the employers' attitude with regard to the working hours has altered with the spread of piecework. Well-known employers, such as Mundella and the late Hugh Mason, have declared in favour of shorter hours. An overseer in William Mather's engineering works at Salford, who had worked in America and Saxony, said to Professor Brentano, in March, 1890, in the hearing of one of the partners of the firm, that the greater productiveness of American labour was due to the shorter hours; and he had observed exactly the same thing in the works at Salford whenever shorter hours were worked; on which grounds he based a plea for an eight hours day.² In Saxony, too, he said, production was lower, in proportion to the length of the working day. It is easy to see why we daily read of instances of a factory adopting an eight hours day, generally on the system of the double shift.

II. The rise in the workman's terms compels the employers to

¹ Tram and omnibus drivers and conductors and railway servants are the greatest sufferers, in England as elsewhere, from excessive hours. They have had to fix their meetings to discuss the situation between one and three at night. In this matter Glasgow takes an honourable lead. The State will, in time, insert a clause in the Bills of railways regulating the length of the working day, just as is now done in Glasgow in sub-letting the tramways.

² [The *Daily Chronicle*, February, 1893, says that the firm of W. Mather has agreed to give the eight hours day a year's trial.]

bring their machinery to greater perfection, and to develop the methods of the Great Industry, which are more and more supplanting the handicraft organisation. The three and fourfold wages of America mean much cheaper work than is turned out in Germany, because labour is made immensely more productive. We can also trace, in the industrial history of England, how the rise in wages has led to the perfecting of the processes of production. In the cotton trade, a large number of discoveries and improvements in machinery can be traced directly to wage-struggles, which effectually spurred industry to further developments, just when they seemed to injure it most by crippling the employers. To quote from Lord Brassey, "The cheap labour at the command of our competitors seems to exercise the same enervating influence as the delights of Capua on the soldiers of Hannibal." ¹

The following will serve as an example of the effect produced by the increased expensiveness of labour. Watchmaking, as a home industry, after the model of Switzerland and the Black Forest, would be impossible in America, because of the high rate of wages. The factory system, therefore, became a necessity there. A watch factory, employing 420 persons, turns out 1500 watches per diem, by means of extraordinarily perfect machinery, minute division of labour, and a method of work which uses human labour to the greatest possible advantage. The raw material enters the factory as steel or copper plates; it goes out in the form of watches, packed in silk-lined cardboard cases. Each watch contains 58 different parts, which undergo 370 processes. The wheels, screws, pins, and springs are all made by machinery, which is continually being improved. For instance, the 1500 springs per diem are now made by two machines, under the superintendence of two workmen, whereas two years ago twelve men were needed. The work is in the highest degree skilled labour, as is that of the Black Forest in another way; but the skill required is very different in the two cases. The American workman has to superintend one movement of his machine with

¹ *Work and Wages*, ch. v., p. 142.

the greatest accuracy, while the Swiss or German undertakes successively all, or a large number, of the processes of production. The wages of the American, always paid for piecework, are about four times as high as those given in the German home industry. Nevertheless, labour is dearer in the latter case. Goods of the same quality are made cheaper in the American factory. It makes very little difference to the American undertaker whether he gives the workman nine or ten dollars per week, as long as he fixes the rims of 1500 watches every day, while the smallest rise in wages endangers the profits of the employers in the German home industry.

The English cotton trade affords a general example of the advances in the methods of the Great Industry, parallel with the rise in the workers' standard of living.¹ In the thirty years between 1856 and 1885, the number of factories engaged in cotton spinning and weaving hardly increased. It rose to 2635, from 2210. On the other hand, the amount of machinery used greatly increased during that time; that is to say, the expansion of the industry is due rather to the growth of existing businesses than to an increase in their number. The number of spindles has increased from 28,010,217 to 44,348,921; that of looms from 298,847 to 560,955. Moreover, both spindles and looms work much faster now than they did thirty years ago, so that the total output has increased in far greater proportion. On the other hand, the number of operatives employed in the cotton trade has only increased from 379,213 to 504,069. The average number of hands employed by one factory was 170 in 1856, as against 190 in 1885. Since, then, the machines have increased more rapidly than the hands, it follows that the relative significance of wages in the cost of production has declined, so that the rise of wages may be perfectly compatible with a decline in the cost of labour.

¹The figures given below for 1856 are from a report made by Elijah Helm, before the Manchester Statistical Society, in 1868 (*Transactions*, 1868-69, p. 94); those for 1885 are taken from the *Statistical Abstract for the United Kingdom* (1888), p. 166.

That this is actually the case may be seen from the increase in the weekly wages of workmen in the different great industries during the last twenty years, even where the prices paid for piecework have fallen in a much greater ratio. The *Royal Commission on Trade Depression* of 1886 sent a circular letter to the Trade Unions of the country inquiring into the height of wages between 1865 and 1885. The answers to this letter showed that, in cotton-spinning, the prices for piecework had gone down 15 per cent. since 1865, while the income of the workers had risen 8 per cent. to 12 per cent., during that time, "owing to improvements in machinery, the greater speed with which it is worked, and the closer supervision of all details of management, coupled with a degree of discipline unknown to the workers of twenty years ago."¹ Much the same answers were given by the Engineers' Unions in Dukinfield and Oldham. Mr. Lord, the president of the Manchester Chamber of Commerce, has shown, in a series of tables appended to the report of the Commission, the fluctuations of wages in certain Lancashire factories since 1850.² We see here, too, that the total earnings of the workman show a marked increase both in the period between 1850 and 1870 and in the thirteen years following, though during the latter period the wages paid for piecework, according to the list, have not risen, but have rather suffered diminution, which shows that labour has become cheaper although wages have gone up, because of the greater intensity of work and the perfecting of machinery.

These points are of far-reaching significance, for they show that, from the economic point of view, the improvement in the workers' position, and the combinations leading thereto, are not only possible, but advantageous. This fact is now universally acknowledged; and it was from this point of view that Mr. Gladstone spoke of strikes themselves as having a tendency

¹ Second Report on Depression of Trade, Appendix, Part II., p. 65.

² Appendix, Part I., to 2nd Report of Commission on Depression of Trade, p. 372 [604].

beneficial to the whole nation.¹ The English workmen seek to meet foreign competition, not by long hours and bad pay, but by quality and concentration of labour, while the Continental industries in which the workmen are most helplessly at the mercy of Capital, and are the worst paid, are just the ones which clamour loudest for protective tariffs.

Inasmuch, then, as the improvement in the worker's standard of living brought about by shorter hours and higher pay goes hand-in-hand with industrial progress, we are justified in speaking of a certain community of interest between labour and the developments of the Great Industry. But, as we have already said, there is no such community of interest between the two parties concerned in each several case; for a change that raises the worker's standard of living while leaving the cost of labour unchanged, must necessarily be a gradual one, and therefore it is only in quite exceptional cases that the individual employer can see his way to raising wages or shortening hours as a means of increasing immediate profits. The elder Brassey, however, accomplished this feat more than once. As a rule, there are opposing interests at stake which can only be decided by relative economic strength, as is the case with any buyer and seller. But it is now seen that the growth of the Great Industry has not fulfilled the prophecies made by Marx in *Das Kapital*, since the power is no longer all on one side, and the workers have therefore risen above the level of minimum subsistence. Supplementing all this by considerations of the maximum imposed, for the time being, on the demands of labour, we shall see that there is always some point at which the interests of workman and employer are most suitably adjusted, a point at which the pressure from below is strong enough to stimulate the development of Industry, while that from above is sufficient to maintain profits and interest at the level needful to induce undertakers and capital to come into the business. Such a state of things can, however, only be realised where labour is strongly organised, and the point of equilibrium is immediately determined by means of wage

¹ See *Lloyd's News* (May 4th, 1890), 2nd edition, p. 8, column 6.

struggles. If a method could be found whereby it could be fixed without the expense which a wage struggle involves, profits as well as wages would be benefited, and the industry would then be in the position most favourable to the common good, since what has already been said shows that the Trade Union organisation of the workers and the concomitant elevation of their standard of living is not incompatible with the modern methods of production, but stimulates and encourages their further growth. We shall treat of such a method in the following chapter.¹

¹ The author has dealt with the question considered above, involving as it does the economic possibility of industrial and social progress, and therefore with the basis of the whole development with which we are concerned in the present work, in a separate book, entitled, "*Der Grossbetrieb ein wirtschaftlichen und sozialen Fortschritt*" (Leipzig, 1892), of which a translation, "*The Cotton Trade in England and on the Continent*" (Marsden, Manchester), will appear early in 1894.

CHAPTER X.

THE GREAT INDUSTRY.

I.—INTRODUCTORY.

THE preceding chapter has shown how the attitude of the English employer towards his workmen has gone through three different phases. In the first decades after the rise of the Great Industry, he regarded him, in accordance with the teaching of the individualistic Political Economy, as an instrument of production entirely subjected to his will. Afterwards he thought of himself as the patron of his men, and tried to establish a kind of feudal relation on the basis of this protecting power. Finally, he recognised him as a co-factor in the work of the nation's production, with equal rights and an independent position.

A corresponding development characterises the working men. When regarded as a means of production, destitute of will or power, they are revolutionists, for when they can as a matter of fact command little more than the subsistence minimum, they are ready to believe that their sufferings are a necessary effect of the existing order of things. This idea was worked up into a system by Engel and Marx just as it was beginning to die out in England; and it passed over to the Continental workmen, who were a long stage further back on the path we are now describing. We have already touched on the revolutionary movement among the English working men, and shown how the wage struggles of the period were often of so violent a character as almost to amount to insurrections. In fact, the strikes of that time were the outcome rather of a desire for revenge than of calm economic calculation.

The second period is marked by the spread and growth of the

labour organisations which had already begun in the first period. This development is described in Brentano's *Arbeitergilden der Gegenwart*. The legal rights which had been won by the English citizen in times past now stood the workmen in good stead. Although the distribution of power was still very unequal, and the history of the struggles of the workers still a "dreary monotony of defeat," nevertheless, organisation, as the only policy which had any chance of being effective, began at last to replace the revolutionary schemes of working class politics, and though the contest between employer and hands seems to grow still more bitter, yet its new phase differs from the earlier one. While from 1820 to 1840 the working men were pursuing phantoms in the shape of profitless attempts at revolution, after that period the goal was a tangible one; higher wages, different conditions of labour, shorter hours, etc., were the objects on which they staked their lives, sometimes losing and sometimes winning. At the same time the spirit of violence which in old times had led to such savage excesses began to die out.

This development of ideas was by no means welcome to the revolutionary leaders, who built their schemes on the discontent of the masses. A workman who gives his mind to the means of extorting better conditions for labour and whose efforts have been crowned with some measure of success, soon learns that the dreams of revolutionists will not keep the pot boiling. He may mix them with his evening beer or brandy in one intoxicating draught, but in the day-time he turns his attention to more practical methods of helping himself. It is this which constitutes the difference between Trade Unionism and Chartism, as pointed out by Brentano; a difference still to be traced in the enmity between the Trade Unions and revolutionary Socialism.

Nor were the employers any better pleased with the direction things were taking. They kept up the traditional habit of assuming a moral if not a legal obligation on the part of the men to work, corresponding with the Elizabethan theory of trade relations, which, however, coupled this obligation to do work with a right to demand both work and sustenance. The employers still looked

on a refusal to take work as insubordination. Trade Unions therefore were branded as treasonable and dangerous to society from the very first, and the employers' refusal to treat with the men as to terms of employment was typical of their attitude. The organisation of the workmen compelled the English employers to band themselves together into similar leagues, and they endeavoured to meet strikes by lock-outs. Now that the workers showed that they could defend themselves, the struggles became longer, and the issue more doubtful. They reduced thousands and thousands of families to misery, and often ended in a crushing defeat of the workers, as in the great strike of the Amalgamated Society of Engineers in 1852. But on the other hand successes were not rare, and they became more and more common as the workmen learnt to observe the general conditions of their trade, and began to study the world markets, and so to choose their time better.

As the century went on, one trade after another issued from that first stage in which the employer gives the workmen what he chooses, or what he is compelled to give by competition. At first, indeed, only the workers in the Great Industry proper benefited by this development. The unskilled workman, the agricultural labourer, and the masses which make up the population of the East End of London were left behind in the unorganised stage, and were therefore the focus of revolutionary tendencies, till at last they too placed their feet on the ladder of progress. As we shall deal with them hereafter, we will now confine ourselves to the Great Industry.

The effect of the Great Industry has been to convince both employer and workmen that their opposition is purely economic, instead of springing from any ill-will. It is a contest such as is always going on between buyer and seller, and therefore will be regulated exclusively by rational, not sentimental, considerations. These views grew up through the force of circumstances. When the attempt to feudalise the workers failed, and when, at the same time, they refused to be treated as a mere "means of production," the employer was led to examine and consider the effect

of wage struggles on the cost of production; and with a view to avoiding them found himself treating with the men on a purely economic basis, each party having equal rights, and being equally justified in honestly attempting to get the best bargain he could for himself. Thus the employers came to recognise the Unions, and to meet their demands in the same spirit as they met higher quotations from the cotton brokers. They began to negotiate with the "labour merchants" in just the same way as they entered into correspondence with the cotton merchant, and were often ready to offer the higher price just as under the same circumstances, they might prefer a dearer to a cheaper raw material. Mr. A. J. Mundella deserves the thanks of all the friends of industrial peace, for negotiating with his workpeople at a time when most of his fellows looked upon such a course as beneath them.

And, at the same time, the Trade Unions were becoming susceptible to the idea that it was not ill-will or a desire for blood-sucking, but economic necessity, which made the employers their opponents. Violence and lawlessness—those infallible signs that the worker is not yet ready for the position of industrial equality—became less frequent; though the violent spirit of the earlier times continued occasionally to break out. The leaders of the most important Trade Unions began to study trade statistics instead of delivering inflammatory harangues, for they had come to see that a knowledge of the general state of their trade was a far more useful weapon in the industrial contest than excesses which put them in the wrong in the eyes of all impartial observers.

When the employer and the workmen stand counter to each other as independent industrial forces, the results are twofold, social and economic. Both sides meet "as equal citizens of a free State." Society, in the sense of a community bound together by customs and ideas, is now thrown open to the working man, who has hitherto been in opposition to it. In like manner the State, too, is thrown open, and the workman, as we have already noticed, becomes a political power.

Our present business is with the economic results. When the employers see that the workers are strong enough to carry a well-

considered demand if it comes to fighting, they prefer to yield, while the workers abstain from demanding impossibilities, or resisting the inevitable, for fear of weakening their Unions by a defeat.

Both attitudes presuppose the organisation of the workers. It has been found that wage disputes have frequently arisen because the Unions have become weak, and the balance of power has therefore been doubtful. The masons say that strikes, which used to be very frequent, have become less so as their Unions increased in strength, and this has been the experience of a large number of other workmen. This is, indeed, obvious, for the employer naturally shrinks from a struggle where he knows the resistance will be strong. On the other hand, the workmen will stake an empty cash-box more readily than a full one, and £100 more readily than a £1000, or for the matter of that £100,000. The larger and stronger a Union is, the more serious and weighty becomes the question of a wage dispute.

Under these circumstances it is to the interest of either side, having once realised that their differences are purely economic, to come to an agreement in the most straightforward and least costly manner attainable. These are the words of *Mr. Mawdsley*,¹ one of those labour leaders who rank with the greatest Manchester capitalists as the most powerful men in Lancashire, and have thousands of followers :—

“ I consider that the remuneration of the working man ought to be the utmost that orderly and peaceful means can compel Capital to pay. It may be argued that this course will lead to a constant state of industrial warfare ; but I answer that if it does, the capitalists alone will be to blame. If employers will step down from the pedestal on which the bulk of them stand, and in place of acting as masters simply consider themselves in the light of tradesmen, who are in the market with a view to arranging on equal terms the price at which they can purchase labour, and are willing to concede the same right of investigation that they claim and exercise themselves . . . we shall have little trouble on the

¹ *Industrial Remuneration Conference Report*, p. 163.

score of strikes." Such words give a strange thrill to one who has been accustomed to hear from day to day both workmen and employers say that the State must do everything for them, and they can do nothing for themselves. As soon as the two parties give up regarding each others actions as inspired by ill-will, a great number of the disputes, which were once the cause of embittered contests, drop of themselves. *Sir Rupert Kettle*¹ divides the causes of strikes into three classes.

1. "Quarrels upon some matter of sentiment." The men consider that their employers, or more often the foremen, have been "dictating" too much, have treated them unfairly and arrogantly. The employers think themselves injured by the disrespectful behaviour of their "hands." As a matter of fact, these feelings have often been at the bottom of contests, limited, indeed, in area, but for that very reason all the more violent. But such disputes are not in any way economic. They do not concern employer and workmen as such, but as individual human beings, and they can be prevented or cured as soon as the two sides really adopt the position of buyer and seller. Quarrels on "matters of sentiment" between a cotton-spinner and a broker would be simply ridiculous.

2. In the second place comes another class of disputes which concern individuals, but relate, not to matters of courtesy, but to the conditions of labour as established by rule or custom, i.e. "disagreements upon the terms of an existing contract." They "arise either upon matters of fact, or matters of construction; the former are determined by evidence" (as to whether the workers have received fair pay, have been worked over-time, etc.), "the latter by reason." Neither is a dispute of this kind economic. It is a judicial question to be decided by law, since in such cases one party is right and the other wrong. If the legal processes are too cumbrous to be available, these questions will be decided, where the parties are sufficiently enlightened, by quasi-legal tribunals. In England, these tribunals are established by voluntary agreement, but there is nothing to prevent their

¹ *Rupert Kettle : Strikes and Arbitrations* (London : Simpkin Marshall, 1904.)

appointment by the State. Such industrial courts might be of great service if they were impartial and thoroughly conversant with the facts.

3. The third class of problems are of an entirely different nature, and are not concerned with the working of the present rules as to labour, hours, wages, etc., but with determining what those rules are to be in the future. These "general and country questions" deal not with separate persons, but with the employers and workmen of an industry or a district in the mass. The problems are economic, and can only be solved by economic forces, as is the case under the present economic system between buyer and seller, he wins who can dispense with the other for the longest time. The struggle is a trial of strength where might is right, and there is no possible reason why either side should be expected to yield anything which it cannot be compelled to. Here, in contrast to the previous cases, it is a matter not of maintaining rights but of creating them. But where there is no authority to which the two parties are subject, such rights can only be established by an agreement, as in the case of international law. An *agreement between parties possessing equal rights* is the fundamental type of all the institutions, such as boards for settling wages and Boards of Conciliation, which have grown up to decide on these questions. As soon as the two sides consult only their interests, they will begin to consider whether the determination of relative strength, which is the function of a contest, could not be equally well performed by an exercise of the intelligence, just as we test the pressure of steam by a special gauge instead of finding it out by the bursting of the boiler. This pre-supposes that the powers which are to be tested, *i.e.* the organisations of either side, have an actual existence.

The settlement of the price of labour is nothing really abnormal. Indeed, Brentano has already pointed to the analogy of the settlement of other market prices by a Bourse Committee.¹ So far as this method of diminishing the number of strikes has been adopted, the saving to the country is immense, and industry

¹ See Brentano: *Das Arbeitsverhältnis*, etc., p. 270 (Leipzig, 1877).

is powerfully strengthened against foreign competition.¹ Under such conditions the highest efficiency of the workers is combined with the advantages of the pseudo-patriarchal system, under which a precarious peace was maintained for a longer or shorter period at the price of a lower degree of efficiency.

The methods of fixing the price of labour are not all the same. We must, therefore, take in succession the most important industries which have succeeded in finding means for a friendly settlement of labour troubles. Some are still far enough from any such solution. Not a few trades are in the intermediate stage of organised strife. Many are even in the elementary unorganised stage. But the most important of all have already reached the last stage, that of industrial peace.

¹ At a meeting of the Royal Statistical Society, Jan. 20th, 1880, Mr. G. P. Bevan read a paper on "The Strikes of the Past Ten Years," in which he computed that the workmen had lost £5,067,825 in the one hundred and fourteen great strikes between 1870 and 1880. The employers' loss could not be estimated, since it included (1) loss of interest and profit on capital; (2) deterioration of machinery, etc.; and (3) loss of custom. Besides this the landlords and tradesmen suffered from unpaid rents and bills, and finally there was a great strain on the rates. The paper is contained in the vol. xliii. of the Statistical Society's *Journal, proceedings for March, 1880*, p. 35, *sqq.* But compare for a criticism of such calculations, Brentano, *Arbeitergilden*, etc., ii., p. 256. [The annual reports on Strikes issued by the Board of Trade indicate the extreme imperfection of any such calculations as those of Mr. Bevan.]

CHAPTER XI.

THE GREAT INDUSTRY (*Continued*).

II.—THE TEXTILE INDUSTRIES.

THE adjustment of the terms of employment by means of negotiation is nothing new. In trades where there is little competition the employers have sometimes acknowledged the claims of their men at an early stage, and the usual period of struggle has, therefore, been considerably curtailed. This has been universally the case in the printing trade. For more than a century the price-lists of the London compositors have been settled by negotiation between master and men. As we have already shown, this was the case with regard to carpet-making. Further examples are given in Brentano's *Arbeitergilden der Gegenwart*, ii., p. 267, *sqq.* The prevalence of the same custom in silk-weaving is particularly interesting, as it was in direct continuation of the old trade laws, which were prolonged in this industry by what was known as the Spitalfields Act. Here, at the beginning of the century, the scale of wages was elaborated by a council of the employers and workers, and, after receiving the sanction of the magistrates, was binding on both sides. Moreover, after the Act had ceased to be observed, the silk industry was the first to establish a genuine board of conciliation. The "Macclesfield Silk Trade Board," established in 1849, was the precursor of Mundella's boards. It was composed of representatives of the Trade Union and of the employers, and performed the two functions which regularly appertain to such a board; it watched over existing regulations, and settled the future terms of employment. But it did not yet command that force of public opinion which, in our day, seldom fails to be effective, even against powerful employers. Public

opinion had not yet reached the standpoint which recognizes the equal rights of the working classes. The Board was therefore compelled to fall back on the power of the Trade Unions, whose proceedings against those who disregarded their regulations were furthered by the other employers giving their workpeople permission to make collections, and even themselves contributing to the strike funds. The insufficient support given by public opinion was the cause of the ultimate decline of the Macclesfield Board, since, after several years existence, it was unable to enforce a decision against the most powerful of the employers represented on it. Nevertheless, the terms of employment continued to be regulated by negotiation even after the collapse of the Board.

But where the peaceful settlement of labour troubles was not the outcome of older customs, it was first adopted by the industries which suffered most from wage contests. Mundella, who established a Board of Conciliation for the weaving trades in Nottingham in 1860, says, "Nottingham, as a centre of industry, suffered, perhaps, more than any other in Europe from struggles between Capital and Labour."¹ In the same way, at Wolverhampton, the state of the building trade, which had gained a very bad name for labour disputes, and the unsatisfactory condition of the iron trade, forced upon employers and workmen the necessity of peaceful methods before it was felt elsewhere. The history of the foundation of the Nottingham Board of Conciliation is well known. We shall, therefore, only emphasize the points in which it is the prototype of all such bodies.

1. Nottingham, as we have said, suffered more than other places from a sharply defined class opposition, and the labour disturbances were frequently attended by violence. The employers refused to recognise the Union, and negotiation was, therefore, impossible. In every dispute about wages or the conditions of labour the two parties simply tried to starve each other out, with consequences ruinous to both alike. In the year 1860, disputes were raging furiously. The employers contemplated a

¹ National Association for the Promotion of Social Science: *Journal and Sessional Proceedings* (1867, 1868), p. 410.

general lock-out. It was then that Mundella and some others proposed to obviate the losses which such a course would entail, by personal conference with the workers. "We went to the men," says Mundella; "we humbled ourselves, as some said. We said to the men, 'We want to talk to you and see if we can devise some better plan. You are spending 1s. or 1s. 6d. a week each to fight us; let us try and fix what prices should be.'" The outcome of these negotiations was the Nottingham Board of Conciliation, which was composed of an equal number of representatives of masters and men, and was to decide in all matters under dispute between the two parties. In the case of equal voting the president had a casting vote which was afterwards given to an annually elected umpire.

We see here how the employers were induced to enter into negotiations, not because they were in specially pleasant relations with the men, nor yet because they were conscious of a community of interest with them, but rather because the violent opposition of their views had such a disastrous effect on the cost of production as to force them to seek peaceable methods of settlement. It was only gradually that the workers learnt, as they grew accustomed to negotiation, what were the impassable limits to their demands, dependent on the state of the trade and on foreign competition.

2. In order to proceed by negotiation, it was necessary to recognise the Unions. - Unless the workers are organised, a peaceful settlement of such matters as future terms of employment is impossible; and here, as elsewhere, it was found that the leaders of the workers' organisation, being the most intelligent members, were the most moderate in their demands. Mundella¹ says on this point: "The very men that the manufacturers dreaded were the men that were sent to represent the workmen at the Board. We found them the most straightforward men we could desire to deal with; we have often found that the power behind them has been too strong for them; they are generally the most intelligent

¹ Quoted by Henry Crompton: *Industrial Conciliation* (London, 1876), p. 42.

men, and often they are put under great pressure by workmen outside to do things which they know to be contrary to common sense, and they will not do them. They have been the greatest barriers we have had between the ignorant workmen and ourselves."

3. The founders of the Board did not fully realise that the questions on which it would have to decide were of two kinds (*a*) relating to breaches of existing regulations, and (*b*) to the drawing up of new ones. Nevertheless, the nature of the problems at once led to different kinds of treatment. In the first class of questions, some sort of judicial inquiry is indispensable, since assertions as to matters of fact are made and combated. For instance, the workers may assert that the regulations agreed upon have been broken in some particular act of the employers. A special procedure at once grew up in Nottingham to meet such cases. At first the Board secretary and afterwards a committee of two masters and two workmen had to investigate the matter. Originally there was also an appeal to the Board, although a large meeting is not so competent to judge, when it is a case of establishing facts, as is a small number of experts. Experience therefore led them to leave the final decision in disputes in what may be described as "individual cases," to the smaller committee, with power, if necessary, to appoint an umpire.

4. After an existence of more than twenty years, the Nottingham Board came, for a time, to an end. The hosiery trade had been remarkably depressed since the beginning of the eighties. The Unions were overburdened with their "out-of-works." The older firms of the town tried at first to maintain the Board, which in 1886 declared a reduction of 10 per cent. in wages. But some small country employers disregarded this decision, and paid much lower wages, and the Unions were no longer strong enough to boycott their factories. This made a breach in the existing organisation. Even the better disposed employers followed suit under the pressure of competition. The list according to which wages had hitherto been paid was abandoned, and the old embitterment which had seemed so long to be extinguished in Nottingham was now rekindled. The employers again

threatened to dismiss their workmen if they joined the Union, as they had threatened in the old days. Nevertheless, its twenty years of work had succeeded in teaching both masters and men the value of a Board of Conciliation, and Mundella told Professor Brentano in March, 1890, that it had been re-established.

The temporary collapse of the Nottingham Board of Conciliation cannot be attributed entirely to trade depression; it is partly owing to the fact that the Nottingham trade is particularly affected by changes of fashion, and the attempts of individual manufacturers to surpass each other in the production of novelties involves secrecy as to patterns. It is difficult to reconcile this state of things with that uniform regulation of the terms of employment, the establishment of which is one of the chief functions of such a board. Even in the sixties the combined lists embraced the wages paid for no less than 6,000 different articles. All this shows how closely the possibility of such a board and the form it takes are bound up with the nature and conditions of the industry concerned.¹

The case is much the same in the woollen trade, which has its headquarters in Yorkshire, and particularly in Bradford and Huddersfield. Although the oldest English industry, it is still badly organised, partly because it is subjected to numerous changes of fashion and to foreign competition, partly because almost 70 per cent. of the workers are women. It is true that latterly the Trade Unions have begun to influence the wool dyers; and Lady Dilke has been very energetic in organising the women. But, as a general rule, the conditions resemble those of Lancashire fifty years ago. The workers are paid according to lists, which each employer draws up as he thinks fit for his own factory. Their position is insecure and miserable.

Even in this trade, however, on one occasion, after a protracted strike for a rise in wages, in 1880, the employers at last consented

¹ See the paper of Mundella's already quoted, and for further particulars Brentano's *Nottinghamer Einigungskammer*, and *Das Arbeitsverhältnis gemäss dem heutigen Recht*, p. 273, sqq., and his *Arbeitergilden der Gegenwart*, ii., p. 273, sqq. Also Crompton's *Industrial Conciliation*, p. 33, sqq.

to submit the case to arbitration. *Sir Henry Mitchell*, one of the greatest cloth merchants of Bradford, was arbitrator, and adjudged an increase of wages to the workers.

The class opposition is still very strong in the two industries we have just dealt with, for reasons which lie very deep. It is not to be expected that they will develop in the near future conditions similar to those offered by the great staple industry of Lancashire. Individual employers, however well disposed they may be, can do little towards bettering matters. The remedy is to be found in quite another direction. The insecure position of the workers lies in the fact that they are dependent on a capricious and fluctuating demand, as are all trades which primarily supply the requirements of luxury. Nothing but a more equal distribution of the national income could give the demand that constant character which is indispensable to a satisfactory solution of the labour problem. Such a solution is scarcely possible in a trade whose productions still retain that feature of a handicraft industry which shows itself in constant change, even when it has adopted the methods of the Great Industry.

The conditions of the cotton trade are very different. Although of much later origin than the woollen trade, it is by far the most important of the modern textile industries.¹ It was the primary source of the wealth of England, and even at the present day, can only be compared in significance with such a trade as the collective iron industry in all its branches.²

The seat of the industry is the once poor county of Lancashire,

¹ Mr. Samuel Andrew, the secretary of the Master Cotton Spinners and Weavers of Oldham, has been good enough to look through the description of the cotton trade given here, and has written to say that it is correct. For this, and for his kindness in taking me through Lancashire, I now tender him my thanks.

² The exports for 1887 were as follows :—

Total exportation of cotton yarn	-	-	-	£11,379,485
„ „ cloth	-	-	-	59,577,284

Total - £70,956,769.

Of this, the total export to the East Indies, is—

now the industrial centre of England. "What Lancashire says to-day, all England says to-morrow," runs the proverb. There, in the first decades of the century, grew those twin brethren, the modern political economy and the cotton trade.

Manchester, although the centre of the county, is no longer the actual seat of the industry, which has betaken itself more and more to the neighbouring factory towns. Of these, Oldham is the most important. It has been estimated that there are about 40,000,000 spindles twirling daily in England, about as many as there are in all the rest of the world. (In 1885, there were 22,750,000 spindles on the Continent of Europe, 13,250,000 in the United States, 2,000,000 in the East Indies. The remaining 2,000,000 were divided between the other countries—Africa, China, Japan, and South America; in England there were 40,120,451 spindles).¹ An eighth of all the spindles in the world, a quarter of those in England, are in Oldham.

The three stages have been passed through in Lancashire as elsewhere. Here, too, the preliminary stage of unorganised industry was accompanied by the phenomena still familiar on the Continent. The working population, powerless to help itself, was driven by want and despair to the revolutionary movements which, under whatever name, have in all times and places characterised the first stage of industrial changes. The violence of the outbreaks in Lancashire may be seen from the following instances of disturbances during the first half only of the last

Cotton yarn	-	-	-	-	£2,629,275
„ cloth	-	-	-	-	17,965,776
Total	-	-	-	-	£20,595,051

The home consumption can only be guessed at. In 1884, it was reckoned at £22,420,000, and is not of a nature to vary greatly. The total production may be £100,000,000, the export was highest in 1872 (over £80,000,000), and lowest in 1879 (under £64,000,000). A complete treatment of the Lancashire Cotton Trade will be found in the author's book on the subject, *Der Grossbetrieb*; trans. as *The Cotton Trade*.

¹ *Second Report of the Royal Commission on Trade Depression, Minutes of Evidence*, p. 144.

hundred years, disturbances which were in every case suppressed with bloodshed by military force. In 1792, there was a rising kindled by the example of the French Revolution; in 1812 and 1819, what Miss Martineau calls "aimless revolts of the belly;" in 1832, an insurrection in favour of the Reform Bill. During the forties matters were still worse; "Jack Strike," as the men used to say, "was king," and it was impossible for anyone to recognise the numerous strikes, associated with manifold excesses, in their true light, as the inauguration of better things. In Ashton, Stalybridge, and Dukinfield, Harriet Martineau says that the strikers threatened to burn down the factories and shoot the employers. In Preston, they carried out the threat until they were themselves shot down by a regiment of Highlanders. It was the time when, as Carlyle says, the masses asked of society the sphinx riddle, "What do you mean to do with us?"¹ The unorganised workman was indeed depressed below the minimum of subsistence. Mr. S. Andrew, secretary of the Oldham Master Cotton Spinners, and the greatest authority on the industry, has been good enough to give me a table drawn up from official statistics by him. According to this table, a family of five needed 34s. a week for an extremely modest but still sufficient subsistence in the year 1839-1840; but the family wages, if two members worked, were only 21s. The necessary result, as the Poor Law reports show, was that a large part of the population was supported out of the rates, especially as at the same time the "truck system" openly prevailed.

Towards the end of the forties a change comes over the cotton industry. It is typified by the growth of organisation among the "hands." Trade Unionism gradually takes the first place in the minds of intelligent working men, replacing the former revolutionary ideas. This did not indeed put an end to strikes; on the

¹ *Latter Day Pamphlets*, p. 285 and p. 11. Also Samuel Andrew, *Fifty Years of Cotton Trade*, Oldham, Sept., 1887, reprinted from the *Oldham Standard*. See also the evidence of Oldham witnesses on the cotton industry, before the *Royal Commission on Trade Depression*; particularly that of Mr. Samuel Andrew and Mr. Samuel Taylor.

contrary, they increased in compass if not in frequency. They were more often favourable to the workmen because they were no longer the results of random bitterness, but were deliberately undertaken. At the same time they gradually lost their lawless character and approached to really economic contests. Wages, too, began to rise. Between 1839 and 1859, according to Mr. Andrew's statements, wages increased at the rate of 1s. in ten years. In the thirty years since, they have increased 8s., or an average of 2s. 8d. in ten years.¹ Whereas in 1859 such a family as we spoke of above still had an insufficient income, their average wage now exceeds the expenditure on absolute necessities, allowing for the coincident cheapening of the necessities of life, by 13s., which can be used for less necessary expenditure, or can be put by.

There is no doubt that the workers were inclined to use their power as the employers had done. Complaints, however, were of no avail, especially since the bolder the action of the workmen became the more careful they were to keep within the legal forms. There was only one thing to be done, the Union of the workers must be met by an equally strong organisation of the employers.

Employers and workmen now face each other in organised discipline. As their mutual distrust disappeared they began to realise that they had a common object in the prosperity of their industry, and that by their former struggles they had injured both it and themselves, so that they began to ask whether it might not be possible to avoid these struggles. It was only now that such thoughts became possible, for the unorganised workers are at the mercy of the employer; the unorganised employers at the mercy of the workers. It was at the end of the seventies that industry began to enter its third stage, which, however, it is as yet far from having fully attained. There is still much hostile feeling on either side, yet Mr. Samuel Andrew, who, holding the

¹ The tables from which these calculations are made are on p. 12 of Mr. Andrew's *Fifty Years of Cotton Trade*. In 1859 one man's wages were 12s. 6d. a week; in 1887 they were 20s. 6d.

position that he does, surely does not exaggerate in favour of the workmen, said at the meeting of the British Association in 1887, "Perhaps there is no trade centre in England where disputes are so easily and equitably settled as in Oldham."

Before we examine the methods adopted to gain this object we must consider a circumstance which has been of great significance in mitigating the intensity of class opposition between master and men, and which was of the utmost importance in the cotton trade of Lancashire. This was the Limited Liability Act of 1861, 1862. By this Act the power of forming associations for carrying on industry with limited liability of the partners—the principle of the Joint Stock Companies—was completely recognized.

The effects of this law, and the developments which came out of it, only concern us here as they affect the relations between Capital and Labour.¹

In the Report of the Royal Commission to inquire into the Industrial Depression which, under the chairmanship of *Lord Iddesleigh*, sat in 1886, the answers of some of the witnesses throw an interesting light on these points.² They show that a great part of the trade is now in the hands of companies. During the bad years about 1880, it was the opinion of the witnesses that many more factories would have had to stop working, and many more hands would have been thrown out of work if the factories of these companies, "new mills, built on new principles, with first class machinery, and making use of the best talent that can be obtained in the trade," had not gone on working and contented themselves with smaller dividends, while many private undertakers in a similar position would have been obliged to give up. This circumstance did more than anything else to help the workers and Trade Unions of Lancashire through the crisis, since regularity of employment is more important than high wages.

¹ The best juridical treatment of this law is Lindley's *Law of Companies*.

² See, for instance, Mr S. Andrew's Evidence, Q. 4328, etc.

A point of special importance is, that many of the shareholders are men in the closest sympathy with the working classes, thrifty people who have begun to raise themselves out of that class, or well-to-do working men, such as the shareholders in the Co-operative Oldham Joint Stock Mills.¹ This must tend to bring the workmen nearer to the interests of the employers of the industry as a whole, especially when the Trade Unions invest their savings, as they occasionally do, in some such undertaking.²

We must now proceed to the consideration of the machinery of the trade organisations. The hands employed in the cotton trade are spinners and weavers. There are, indeed, other classes of operatives, chief among whom are the "card-room men," who prepare the cotton for the spinners, and the "pressers," "dressers," and others who "finish" the cloth. But all these follow the two principal classes, *e.g.* the carders (numbering 60,000 men) follow the spinners. Their own Unions are not so strong as those of the main bodies of workers; and it is the latter who really fight out the wage contests; the wages of the subordinate classes rising and falling with those of their principals.

The Amalgamated Society of Operative Cotton Spinners and the Northern Counties Amalgamated Weavers' Association, are divided into numerous District Unions distributed throughout the principal towns of the county. These District Unions deal with the local business themselves, and engage paid secretaries, who often, as in Oldham, have to devote all their time to their duties. In other cases they attend to the affairs of the branch in their spare time. As a general rule the business is transacted in hired rooms. In Bolton the spinners and weavers share a house with writing-rooms, a room for meetings, etc.

The Amalgamated Spinners' Union had 15,416 members in December, 1887,³ and we must remember that every "minder"

¹ See Beatrice Potter's *Co-operative Movement in Great Britain*. Also *zum Sozialen Frieden*, vol. i., p. 361 (not translated).

² Sir Charles Dilke says that in Australia both Trade Unions and individual workmen often hold shares in industrial concerns.

³ [Entered in the Report of the Trades Union Congress, 1892, as having 20,000 members.]

has two "piecers" under him, whom he employs and pays. These, who are in many cases his own children, are not included in the numbers given. Nevertheless, it is obvious that the Union did not include all the spinners in the county, though we cannot precisely estimate the proportion of members to non-members. Professor Munro says there were 18,500 minders in 1887, and if this is true, there were only 3000 not in the Union.¹ The Trade Unions are, indeed, practically the representatives of all the workmen. They are like a standing army, limited in times of peace, but expanding in war time till it becomes the organisation of the whole nation. The largest branch Union is that of Oldham, consisting of nearly 5000 members.² The weavers' organisations are very similar to those of the spinners.

The employers are associated in the same sort of way, except that they make no distinction between weaving and spinning, as many of them carry on both industries. Thus the secretary of the employers generally has to deal with at least two workmen's secretaries, one of the spinners and one of the weavers. And we may add that until quite lately the employers had no organisation covering the whole county.

I. The function of the local organisation is to deal with "individual cases." We have seen that all disputes between employer and workmen fall into two entirely different classes. In the one case they have to deal with the application of existing regulations to special cases, in the other with the establishment of the regulations themselves.

Under the first head we have such cases as complaints that the acknowledged scale of wages has not been observed ; that the men have not had their fair pay ; that they have been fined for defects of workmanship due to bad material and so forth. One side must, of course, be right and the other wrong, but until mutual understanding was sufficiently established, there was no possibility of

¹ *Report of the Committee on the Regulation of Wages by Means of Lists in the Cotton Industry*, p. 303 of the *Report of the British Association's Manchester Meeting*, 1887 (London, 1888).

² [Risen to 6,559 members in 1892.]

settling the matter judicially. Perhaps the workers sent a depuration to the factory masters which they received, or very often did not receive. In either case a "quarrel upon a matter of sentiment" might easily result, and a strike follow in which both sides, aggressor and aggrieved, would alike suffer. The loss involved in such quarrels, which benefit no one but the foreign competitor, and the possibility of avoiding them, since they concern nothing but questions of fact or the interpretation of existing rules, are receiving a constantly growing recognition in Lancashire.

The Trade Unions make it their special object to obviate such contests, and strive to foster a mutual confidence between employers and workmen. The Rules and Regulations of the most important of these Unions, that of the Oldham Spinners, contain (art. I.) these words:—"That this association shall be based upon the following principles, *viz.* to protect the just rights of its members from any undue encroachments on the part of their employers, which object it is proposed to accomplish by practical and conciliatory methods, to afford assistance to any member out of employment or disabled by machinery, etc. . . . and to promote that reciprocity of good feeling which is so conducive to the interests of both employer and employed." The following remarks addressed to its members by the committee of the weavers of Blackburn on February 29th, 1888, express the same views. As they are specially indicative of the attitude of the workers we quote them in full.

BLACKBURN AND DISTRICT POWER-LOOM WEAVERS' ASSOCIATION.

"FELLOW MEMBERS,—The Committee of the above Association issue to you this Circular in order that you may be enabled to see and judge for yourselves, not only the working but the financial position now, to what we were four years ago, at the end of the Strike, which lasted nine weeks, and came to a close on or about February 14, 1884. At that time our surplus fund in the bank was only £65, and our property heavily mortgaged, we

have since redeemed that property by paying off the mortgage. We have also had demands upon us for stoppages at mills, which have since taken place, to the amount of £10,364 10s. 9d.; and for funerals, £2,202 10s. 0d.; levies for emergency purposes, £5,496; legal expenses in defending wages case, £77 9s. 4d.; grants to other Associations and charitable purposes, £1,051. For all this we have increased our banking account from £65 in 1884 to £8,800 in 1888. We have also, during the time previously named, recovered in wages out of Court, by negotiation, the considerable amount of over £300, and under the employers liability for accidents, in and out of Court, a sum exceeding £500, which had it not been for the agitation brought on by trades organisation, such a course as recovery for accidents would have been almost impossible or impracticable; therefore for these and other reasons we could enumerate, we urge upon all who have up to the present never seen their way open to join our cause, to again consider their position. We also wish to impress upon our members not to take any part in individual strikes without first consulting the committee, and thereby avoid future unpleasantness, not only to themselves but to ourselves likewise; but should there at any time be a grievance at a mill, do not of your own account let this be the means of stopping the machinery, but forward your case or cases, as the affair may be, to the office, and the same shall be attended to on the earliest occasion. We are on friendly terms with the employers, fully recognised by them as an association capable of managing our affairs, and their representative offers to accompany us on all occasions where any grievance is complained of, in order to bring about a satisfactory settlement; therefore for that reason alone we feel that there ought to be an end of strikes, unless sanctioned by the society. We are not asking this for any purpose of our own, but in order to facilitate that which we consider to be justifiable to all concerned, and further strengthen the relationship existing between us, *i.e.*, the employers and ourselves. We also know that there are employers who do not belong to their association, but these can be dealt with by legitimate means. And so long as our interests are so closely identical, we feel.

assured that by a process of mediation many of the abuses complained of can be remedied. We are in a fair position, both numerically, financially, and socially; therefore by these means we are at all times prepared to ask for that which we are justly entitled to. More we cannot ask for, less we will not submit to. We at the same time hope that not only our members but the public as well will accept this advice in the spirit which it is given, and at the same time strive to strengthen themselves in the society, so that in cases of necessity, such as the calamity of a fire, failure, or breaking down of machinery, or any other cause that brings about a stoppage, to have some source to rely upon, and not the charity of others. Be independent, avoid pauperism, provide for yourselves, and thus command the respect due to all. —We are, yours obediently,

“THE COMMITTEE.

————, *President.*

“WEAVERS’ OFFICE, 18 BACK LANF,
Feby. 29, 1888.”

————, *Secretary.*

The methods adopted are as follows :—(1) An attempt is made to bring the parties to an agreement. In most factories there is some foreman or older workman in whom both sides have confidence. He is the recognised negotiator between workmen and employers, and the men make their complaints through him. The employer seldom does so, as his complaints take the form of a reduction in wages, which thereupon becomes a grievance of the workers. Very often the workmen send a deputation to the managers of the factory, a method which the English employers have by this time universally recognised as useful, and as often leading to an understanding. They then “talk the matter over.”

(2) If the question is not disposed of by this means, the workers communicate with the secretary of their Union, who then writes a polite and business-like letter to the firm, laying the case before them, and asking for further information. He states the actual difficulty and gives his views on the points of law or custom

involved in the question. A millowner once showed me one of these letters, in which the secretary of the spinner's Union submitted that a reduction of wages was not legally justifiable on the ground of breach of contract; the proper remedy being an action at law. The employer admitted the correctness of this representation, gave orders for the payment of the sum withheld, and "thanked the secretary of the Trade Union." It is one of their principles that an inquiry into the actual facts shall not take place at this point. In many cases the secretary will, indeed, ask for a conference with the employer; but many employers would refuse the interview. In fact, not a few of them will not receive any communication from the Trade Union, but send them at once to their own associations, so that Union meets union from the very beginning.

(3) If the means hitherto tried have failed, another character comes on the stage, the secretary of the employers. It is his function to investigate the actual facts in conjunction with the workmen's secretary. The two form a committee, which, since both parties are equally represented, constitutes a kind of Court of Arbitration. Brought together as they are every day in the way of business and accustomed to work together, they are often personal friends. In any case, sentimental grievances will hardly rise between paid officials. They now visit the mill together, and the complainants—who have not, of course, stopped working, for it is the object of the whole arrangement to prevent this—are called into the office, where the manager is also. Here they repeat their complaints, which mostly arise from a dispute as to the facts. The two secretaries there and then make the requisite inquiry. A very common ground of complaint is that the indicators which measure the length of yarn spun—according to which the Oldham workers are paid—are not going right, a matter which can easily be decided on the spot. The same applies to a complaint which is frequently heard in districts where the operatives are paid by the weight of cotton spun and the fineness of the yarn, *viz.* that the spindles go faster, and therefore the yarn spun is finer than that of the standard according to which the employer

is paying. In other cases, where the question depends on past events, witnesses have to be called, and an investigation may be necessary, concerning which the secretaries are officially bound to secrecy. Such a case might occur, for instance, if the workmen said that the material supplied to them was bad, while the manager showed by his books that he had always ordered the same quality of cotton. After the evidence has been taken, the secretaries confer together, and give their decision in writing to both parties. Ninety-nine cases out of a hundred are settled in this way; the employer almost always yields voluntarily if the decision goes against him, for fear of a strike in which he would not have the support of public opinion. The workers again have to submit to the decision, since, if they were to strike, they would not be supported by the Union. Sometimes, indeed, when a decision has gone against them, and they think they have been treated unjustly, they attempt resistance, but such attempts generally collapse in a few days, and they are glad enough to be allowed to go back to work.

(4) As we have said, the cases in which the secretaries do not agree are very rare. If this does occur, they lay the matter before the committees of their respective associations, and it is discussed there. The last resort, if they still fail to come to an understanding, is a local strike. In these cases arbitration is not popular, since technical knowledge is the most important factor in the decisions, and this is possessed in a higher degree by the secretaries than by any one else.

But a feeling is now growing up, that all such local strikes affect more than those immediately concerned. If the regular machinery for settling disputes has broken down, and seems to be itself endangered, it is a matter which concerns the common welfare. Hence it often happens that points that are not decided by the Branch Unions assume the character of "general questions" and are taken up by the Central Union. The proceedings are then somewhat as follows. If the secretaries and the Branch Unions have failed to settle the matter, and nothing is left

but the *ultima ratio* of a strike, the question must be submitted to the executive committee of the Central Union, with a view to enlisting their support. But it is very greatly to the interest of this body to avoid a costly strike and the strain on the Branch Union which it would entail. It therefore conducts a fresh investigation, and re-opens communications with the employers. In cases where it sanctions a strike, the operatives generally seem to be victorious. We may instance the following case reported from Bolton. The operatives in the Robin Hood Mills complained of the quality of the raw material. The methods above described were tried in vain, and there was a strike in the factory, sanctioned by the Branch Union; the employers, however, believed that they were in the right, and retaliated by threatening to lock out all the operatives of the district. The branch committee of the operatives turned to their Central Union, whose secretary then interviewed the secretary of the Bolton employers, and finally the matter was amicably settled; though not until some pressure had been exerted by the central committee of the operatives. In such cases it is also possible to bring a local question before the joint committee, whose functions we shall presently discuss. But it is universally admitted by those who have had any practical experience that it is always harder to stop a strike which has begun than to prevent its occurrence.

We have seen, then, that these "individual cases" rising out of existing arrangements, are almost always peaceably settled by the local authorities. In a great manufacturing town each secretary may have to deal with several hundreds of such questions in the course of the year, whereas, in the quarter from December 1888, to February 1889, only 41 were brought before the executive committee of the Amalgamated Association of Cotton Spinners, and of these a large number were peaceably settled.

II. Very different from the questions with which we have just been dealing are the "general questions." The former are concerned with the application of established regulations, where the only

thing needed is an impartial decision from persons with adequate knowledge of the facts. Resort to a contest in these cases indicates some defect of organisation. The second class of questions affect an undetermined body of persons, the conditions of whose labour are to be settled for them, particularly as regards wages and hours. It may be that the hands demand a rise in wages, and the masters a reduction. Both may have their reasons, but yet it may be impossible in many cases to say that one is right and the other wrong. They are questions of strength, and must in the last resort be decided by a trial of strength.

There is a marked tendency to settle the "individual cases" locally, and the "general cases" by means of the organisations which represent the employers and employed throughout the whole trade.

To understand the latter process, we must investigate more closely the wage system prevalent in Lancashire. The practice of piecework is universal, and there are wonderfully elaborate lists fixing the wages for every kind of work, besides special allowances for extra duties, (getting the mules in order, etc.). The main principle in the spinning lists is payment by the weight of cotton and the fineness of the yarn, or according to the newer lists, merely by the length of yarn spun. The wages are further modified according to the number of spindles attended to by each "hand," and the amount of twist in the thread, for the greater the number of turns each inch receives, the shorter will be the total length.¹ In the same way the weavers' wages depend on (1) the fineness of the material, (2) the closeness of the threads, (3) the length and width of the cloth.

The origin of the lists may be traced to a period in which the industry was much less fully organised than it now is. The oldest lists still in force are the Blackburn weaving list of 1853, and the Preston spinning list of 1859. Originally every mill had its own list, and these lists were the cause of incessant strife.

¹ Munro : "Regulation of Wages by Means of Lists in the Cotton Trade," *Manchester Meeting of the British Association, 1887, Journal*, p. 305.

The frequent complaints from "hands" that some mills paid worse than others often led the employers to adopt the lists of other factories which the men thought more favourable to themselves. Thus the spinners of Simpson's Park Lane Mills, Preston, struck on the ground that their wages were lower than those of any other mill in the town, whereupon the employers drew up a list founded on the normal wage of the place. This list was adopted by others, and is the Preston list of the present day.¹

But we may still look for further developments, and can already single out the lists to which their still surviving competitors will succumb. The Oldham list, which is the only one paying by length instead of weight, will be adopted by the spinners on account of its technical superiority; while the weavers will adopt the lists of Blackburn and North and North-East Lancashire, the first of which is for plain, the second for fancy goods. As far as I have ascertained, each of the two industries has at present about ten different lists in use; but many of them have ceased to hold their own against their more popular rivals. As might be supposed from the time at which they were drawn up, the first lists were made by the masters alone; but use and wont have made them into a kind of customary law to both masters and men. The newer lists have been drawn up by the associations of both sides. Alterations in the existing lists have not infrequently to be made, as new methods, formerly unknown, are adopted, new machinery introduced, etc. etc., and these are drawn up by the joint action of employers and workmen. Thus we find in one of the Bolton lists:—

"(Clause XIX.) Should any circumstance arise for which the list makes no provision, the same shall be submitted to the adjudication of the joint committees of the two associations.

¹[According to Mr. Banks, of Preston, as quoted by Prof. Munro in the above-mentioned paper, the list of 1859 did not prove satisfactory, and another list was drawn up in 1866, based on the average of eleven districts.]

"(Clause XX.) Three months' notice to be given by the one party to the other party to this agreement, of any intention to increase or reduce the rates of prices, etc., provided for in this schedule of conditions."

"(Clause XXI.) One month's notice to be given by the one party to the other party of an intention to advance or reduce the prices per 1000 hanks or per 100 lbs."

Disputes as to whether a particular class of work is being paid according to the provisions of the list come under the head of "individual cases," and must be settled by the secretaries, according to the Bolton list, within seven days. The list further stipulates that these questions, too, if they cannot be settled by the secretaries, shall be laid before the joint committee.

The essential principle of these lists is that they do not fix the wages, but take a certain state of trade, together with the corresponding wage as normal or standard. The actual wage oscillates round this normal point in answer to the fluctuations of trade, and is calculated in percentages of wages. Thus, when trade is good the workman may get 20 per cent. above the normal wage, but when a depression follows, wages fall to the standard, or even below it. What the lists fix, therefore, is the proportion in which the different classes of work are to be paid, rather than the actual rate of wages. They are removed from the heat of contest, although they embrace the whole body of objective rights which regulate the conditions of labour, and therefore they eliminate numberless points of possible doubt and contention.

The lists do not dispose of the wage question, but they simplify it. Without them wages would have to be specially settled in every town and every factory, and even for every class of operatives. They enable employer and hands alike to state their demands briefly as "5 per cent. discount," or "5 per cent. increase" on the former wages. Now, this is, of course, a necessary condition for the settlement of a wage dispute by joint negotiations between the organisations of either side, instead of by hostile

methods. But the lists are of additional advantage to the employer, in that they prevent underhand attempts of smaller masters and beginners to gain a footing by cutting down wages. In fact, none but these small masters oppose the lists; the great employers and the hands are quite satisfied with them.

Whilst the lists form a kind of skeleton of wages, their muscular system depends on the circulation of the blood, *i.e.* the profits accruing to industry. The average profits of the undertaker regulate the height of wages, and are in their turn dependent on a variety of different factors. When one of these factors is of paramount importance, as is the price of coal in the mining industry, an arrangement for wages to rise and fall about the normal wage according to the fluctuations of price is possible, and we can have a "sliding scale." But in the cotton trade the rate of profit depends on a number of equally important factors. (1) Cost of raw material. (2) Price of product (yarn or cloth as the case may be). (3) Cost of coal, machinery, etc. Now the variety of products sold make it difficult to calculate an average selling price which would afford a satisfactory basis for a sliding scale. Besides this, the computation of wages by the lists is itself intricate enough, and further complications would make the system unmanageable. The consequence is that although the idea has been mooted, neither workmen nor employers have ever seriously contemplated the establishment of a sliding scale.

But it is none the less true that in the cotton trade as in other trades the factors which determine the profits are also those which regulate wages. The officers of the Trade Unions have now learnt to keep a careful watch over the movements of these factors, particularly the fluctuations in the price of raw material, and the price of the finished product in the markets of the world. The pigeon-holes which cover the walls of a Trade Union office are full of trade statistics. The results of these observations are embodied in confidential annual reports circulated by the Unions amongst their members, and dealing with the condition of trade. I have one of them now before me, from the Weavers' Association

of North and North-East Lancashire. In these reports the rise and fall of the figure called the "margin" play a leading part. It is obtained by subtracting the price of raw cotton (calculated from the five leading sorts) from the price of yarn (of eleven kinds), or of calico (of twenty-three kinds). Thus there are two different margins, one for the spinners and one for the weavers, which show the relative position of the two industries.

Now these investigations have consequences of the utmost importance. On the strength of them the leaders of the operatives only put forward demands which they are sure of being able to carry through; while they quietly submit to the demands of the employers when they see that resistance would be useless. Thus the report I have referred to admonishes the weavers not to make an uncompromising resistance to the employers "at present," because while weaving was making more than the average profits in 1886, spinning has now (*i.e.* in 1888) the advantage. The reason of this is, they say, that during the last few years the machinery has been improving more rapidly in weaving than in spinning; presumably the contrary will occur in a short time, since capital is now flowing into spinning. It is true that the operatives do not always listen to these warnings. It is very hard for the uneducated quietly to submit to a reduction of wages. They are only too prone to attempt a resistance which is generally futile. As a Trade Union leader once said to me, it is about as rare for a strike against a reduction to succeed, as it is for a well-planned and opportune strike for a rise to fail. But the insight which the workers are getting into the state of trade tends constantly to reduce the number of hopeless strikes. It is the despairing resistance to inevitable reductions which is associated with the memories of the greatest misery, and the deepest animosity.

Nevertheless, there will always be demands which one or the other side does not feel in a position to accede to. Such questions are, in the nature of the case, generally wage questions, and are expressed, as we have shown, in percentages. It is a principle universally acknowledged throughout the whole of Lancashire,

that these questions should in the first instance be submitted to friendly negotiation ; and the important point is that during the negotiations work is not stopped for a single day, but when necessary the settlement receives a retrospective interpretation. This is because it is recognised that a cessation of work is bad for trade, and therefore injures both parties, while it benefits foreign competitors.

Even up to quite recent times, the organisation of the employers has not been so complete as to enable them to examine and decide wage disputes for the whole industry at once. There have been a number of larger and smaller associations of employers, who decided wage questions independently of each other, with the local Trade Unions. Consequently the great central Union of the operatives had no direct dealings with them. The largest and most powerful association of employers is that of North and North-East Lancashire, which includes both spinners and weavers ; but each of the two trades has a special committee which corresponds to a similar committee of the respective Trade Union. This federation of North and North-East Lancashire carries the greatest practical weight in the weaving trade, while the Oldham Association of Master Cotton Spinners enjoy a like influence in the spinning trade, and, indeed, generally sets the prices for the whole county. The southern division of the county is less organised. In each of the great manufacturing towns of that district the local Unions of workmen and employers face each other, and in theory, at least, settle their own wage questions for themselves. But here, too, we often find that several of these Unions have federated themselves, or if they have not done so they follow the decisions of North Lancashire.

The proceedings in wage disputes are the same everywhere. The masters' committee meets that of the hands in the office of the former. The chair is taken by the masters' secretary, while the men's secretary sits at the other end of the long table, with the operatives down one side, and the employers down the other. The formation and procedure of these joint committees are fixed by tradition, so that although—or perhaps because—they are

universally resorted to, and every wage question has been referred to them for the last ten years, it has not yet been found necessary to draw up any written regulations. We may note an exception to this custom when the employers of North and North-East Lancashire concluded a written agreement with the corresponding society of weavers in the Mitre Hotel, Manchester. But the object of this was not so much to establish a joint committee, which had long existed, as to restrain it from exceeding its powers.

The object of this agreement was declared to be the promotion of friendly relations between employers and their hands. The Committee was to deal as follows with all questions in the preliminary stage. A joint committee of six employers and six hands was appointed. It could be summoned by either side at not less than ten days' notice given to the other party. All transactions between the parties are conducted by the secretaries. The committee generally meets on Tuesdays at the Mitre Hotel, not more than once a month unless necessary. It can adjourn when difficult questions demand further consideration. A most important feature, which seems to prevail throughout Lancashire and to be essential to the success of the arrangements, is that the committee can pass no binding decision, its powers being merely consultative. For this reason the number of members is in many places not fixed; it is not even necessary to have the same numbers from each side. Indeed, a binding decision by vote, when there are only two parties concerned, would be absurd. The attempt made in other industries to give a sort of judicial authority to similar boards, called "Boards of Arbitration," has often been the cause of their failure.¹ In fact, the only way to come to an understanding is to discuss the matter. The mere fact that employers and operatives sit at the same table, and en-

¹ This is the meaning of the preference expressed by English writers for conciliation as against arbitration. See, for instance, B. H. Crompton's *Industrial Conciliation*, or L. L. F. R. Price's *Industrial Peace*, p. 37,

deavour to convince the other side of the reasonableness of their demands, exercises a calming and healing influence. The negotiations follow the forms of parliamentary debate, which the working men thoroughly understand, and all remarks are addressed to the chair. Evidence is brought forward by either side, mostly in the form of trade statistics. The interests of the employer demand that if he allows the operatives to examine into his business, the strictest secrecy should be observed ; and so far as I am aware complaints of breach of confidence are unknown. In fact, even the names of the representatives nominated by the executives of the respective associations are not divulged. They are not plenipotentiaries, that is to say, their decisions have to be ratified by the body which elected them. This regulation, however, is merely formal, since the leading members of the several associations and of the joint committee of their deputies are the same persons, so that differences of opinion are scarcely possible.

If the negotiations are unsuccessful, a strike (or lock-out, as the case may be) is the final resort. But in this case it is marked by the fact that it is not individuals, but the operatives (or employers) of the whole district who adopt these measures. A general strike of this kind, however, is subject to further restraining conditions. Although in dealing with "individual cases," the officials of the Union may permit a strike in a single factory to be begun and ended at the discretion of the Branch, a general strike in a Union holding a good financial position is a very serious, and even critical, measure. The rules of the Union provide that such a strike shall not be undertaken heedlessly. For one thing, the officials of the Branch Union, that of the Oldham spinners, for instance, must first get permission from the central executive in Manchester, in this case the Amalgamated Society of Operative Cotton Spinners of Lancashire. But besides this it must arrange for general meetings of its members to take place on the same day in each of the different centres of the "Oldham Province." There they discuss the question, and vote for or against a strike. But even if the majority vote for a strike, the matter is by no means

settled. Since it is found that the war party frequently get the upper hand at a meeting, a poll is taken to ascertain the real views of the majority. This is done on the same Saturday afternoon between three and six in all the centres. The ballot is secret. The members drop their papers into the boxes in the offices of the local Unions. These boxes are sent locked from headquarters, in our case the executive of the spinners at Oldham, where the keys are kept. At six o'clock the doors of the office are shut, and only those already present are allowed to vote. Then the executive of the Branch Unions take their boxes to the district office at Oldham. There they are unlocked and the votes counted, the majority for or against a strike being announced the same night. During a strike the men decide on proposals of the masters, or the question of unconditional surrender, in the same manner.

Obviously these methods must tend to reduce the number of contests. Since the institution of a joint committee in North and North-East Lancashire—a district which does almost two-thirds of the whole cotton-weaving trade—there has only been *one* strike in the weaving trade, a remarkable advance on the previous state of things. It broke out in 1879, after the committee had been negotiating vainly for months. The employers demanded a 10 per cent. reduction of wages, which the operatives refused to accept. The strike began in the Spring and lasted nine weeks, the operatives having offered to submit the question to arbitration, and the employers having refused. Contrary to the usual course of struggles against a reduction, the victory fell to the operatives, who kept up their wages, and only suffered a temporary and insignificant reduction. Since then a number of questions have been quietly settled by the committee, sometimes in favour of the employers, sometimes of the hands.

Things have not gone quite so smoothly in the spinning trade. During the depression, from 1877-1880, negotiations failed several times to induce the hands to accept the inevitable reduction of wages. They would not yield until they were beaten. Wages.

were then reduced 15 per cent., having risen 20 per cent. at the beginning of the seventies. During the last decade they have begun to go up; in 1881 they rose 5 per cent., which was lost in 1885, and regained in 1888. The reduction of 1885 was the only one of these changes which involved a strike, resulting in a compromise. The rises of 1881 and 1888 were arranged without a contest by negotiations of the joint committee.

Appeals in "individual cases" also, which the Union secretaries cannot settle, are now made to the joint committee. This function of a Court of Appeal is specially conspicuous when the cases have first been referred by the Branch Union secretaries to the central committee, as in North and North-East Lancashire.

Finally, if negotiations are of no avail, arbitration offers a means of deciding "general questions." As arbitration is of much greater significance in the coal and iron trades, we shall deal with it when we come to them, meanwhile it must be remembered that in the cotton trade, too, this method of settling disputes is by no means unknown. We have seen that arbitration is not a suitable means of deciding "individual cases," because of the knowledge of technical details required. But the decision of "general questions," such as questions of wages, calls rather for a general economic knowledge of the industry concerned, and inasmuch as all industries are connected, an acquaintance with the condition of the whole national trade. As long, however, as any traces of the old class opposition remain, difficulties will always be raised by the operatives against arbitrators belonging to the "capitalist classes." For instance, there was a court of arbitration in the Lancashire spinning trade in 1870, in which the arbitrator, the well-known Sir Rupert Kettle, decided for a reduction of 5 per cent. The operatives conceived that while he did not intend to be partial, he had unconsciously looked at the situation from a capitalistic point of view, and although they accepted his Award, the spinners have never again been willing to resort to arbitration. On the other hand, arbitration has often been successful among the weavers. On all these occasions the arbi-

trator has been *John Fielden*. He is a Manchester employer, but possesses the confidence of the weavers in a marked degree. His first Award was in 1878, when he pronounced in favour of a reduction of $2\frac{1}{2}$ per cent., the employers having demanded 5 per cent. The hands had already been on strike for a month before the employers fell in with their desire for arbitration. The decision affected the following important districts: Ashton, Stalybridge, Droylesden, Mossly, and Dukinfield. He has given three Awards since then. Once he decreed an increase of wages, once a reduction, and once he refused the operatives' demand for a rise. Two of the arbitrations concerned the towns just mentioned, one Stockport only. In none of these cases was there any disturbance or interruption of work in the factories while the arbitration was proceeding, and the decision was always loyally accepted. The natural culmination of the joint committee system is arbitration, and in the last three cases this committee referred the question at issue to arbitration without a previous strike.

So far I have described the state of things hitherto prevailing, but I must now note that an important step has lately been taken which will be of the greatest significance in the decision of wage questions. The spinners of Oldham were so strong and well organised, that they frequently succeeded in extorting advantages from their employers which had to be conceded to the other spinners in the county in the course of a few months. The employers of the whole of Lancashire were therefore induced to join in a federation of Master Cotton Spinners. This society was re-organised in 1887, and now embraces about 30,000,000 spindles, i.e. three-fourths of all those in England, and far more than all those of the Continent together. Having reached such dimensions, it will in future take all wage questions into its own hands, and decide them with the Trade Union for all Lancashire, which means all England. Instead of different joint committees there will be one for the whole district. A similar tendency towards centralisation appears in the weaving trade, as is seen in the fact that the employers' and operatives' associations for North and North-east

Lancashire already embrace the greater part of the trade. Their decisions are generally followed by the districts not included in the federation. Moreover, deputations from the detached districts of South Lancashire have several times been sent to the joint committee of the Northerners, so that here, too, the further step seems only a matter of time.

Discussion and conciliation, then, are the principal agents for the settlement of labour disputes in Lancashire, and they secure the advantages attributed to this system by Dr. Spence Watson. He says, "It brings the employers and employed together, and teaches them mutual forbearance by showing each side the difficulties under which the other is placed, and it does this in a way which is calculated to foster mutual respect at the same time as it strengthens self-respect."

The two parties face each other as buyer and seller, but the operatives fully realise that they are as much interested in the state of trade as their employer is. This is shown by the vigorous support they give to the organisation of the employers. They frequently force individual employers, who think themselves strong enough to stand alone, to join the associations of their fellows. "We are as anxious as employers themselves," says the Annual Report of the Amalgamated Association of Cotton Spinners (1887), "that they should do well, and if we can assist them at any time to cut down expenses anywhere except in operatives' wages, they may rely upon our help being cheerfully rendered. We claim no particular credit for our goodwill in this matter. Prosperous employers can pay good wages."

On such grounds as these the amalgamated spinners and weavers oppose the much-talked-of agitation for a normal eight hours day,¹ and their representatives have voted in this sense in the parliamentary committee of the Trades Union Congress. They know that at present this would mean abandoning their

¹ They have since changed their views ; see note, p. 82.

industry to foreign competition, an amount of insight which, in factory operatives, shows no small degree of intellectual and moral elevation.

A Liverpool cotton ring was broken up, in 1887, by the help of the operatives. A still more dangerous ring was formed, in 1889, by a Dutchman of the name of *Steenstrand*. In such a case the employers' weapon is a temporary suspension of work. But it is very hard to carry such a step through, since there are always individual employers who cannot resist the temptation to go on working, and reap their harvest from the inaction of the rest. On this occasion the Employers' association approached the Union with a proposal that they should, if necessary, stop by means of a strike any factories which should attempt to continue at work. The mere fact that the Union declared its willingness to adopt such a course at once brought about a sudden fall in the price of raw cotton.

While industrial conditions have thus improved, in politics also the old class hatred which was rampant in the days when Chartism had its headquarters in Lancashire is now dead. Besides the publications of the Unions the Lancashire operatives have a large and well-conducted paper, *The Cotton Factory Times*, which inclines to conservatism. The reason of this remarkable fact is that the Lancashire operatives, under the influence of their leader, Mr. Mawdsley, have espoused the cause of bi-metalism, and expect to carry it through with the help of the Conservative party. They also think that it will be the same party rather than the Liberals that will extend the Factory Acts to India, which at present threatens to become Lancashire's most formidable rival. This is the extent of what the cotton operatives look for from the legislature. They have more confidence in their own power than in external help.

The modern employer meanwhile cannot choose but endorse the following words :—"In the cotton trade I believe that we have at the present time the most efficacious labour in the world. It is not only bred and trained, but it is fitted and disciplined to its

work, and under the lists, with the present improved machinery, you may always rely on its performing its duty with the exactitude of a clock.”¹ And herein lies the secret of the power of English industry.

¹ *Fifty Years' of Cotton Trade*, p. 11; paper read by Mr. Samuel Andrew before the British Association in 1887.

CHAPTER XII.

THE GREAT INDUSTRY. (*Continued*).

III.—COAL.¹

ENGLAND possesses rich coalfields in widely separated counties. Amongst the most important are those of Northumberland, Durham, South Wales, Cumberland, Scotland, Yorkshire, and Staffordshire. The number of districts is so great that it would be impossible to deal with the development of industrial conditions in each of them separately. As our object is to treat of those phases of the labour movement in which it has most decisively entered on the "third stage," we will begin by limiting our observations to the north-easterly counties of Northumberland and Durham. There is the more reason for this as they hold the first place among the mining counties, both in the antiquity and in the present importance of their industry.

The colliers of Northumberland and Durham belong to the aristocracy of English labour. They are generally descended from colliers, only 10 per cent. of them springing from parents engaged in other industries. Northern phlegm and northern robustness are the characteristics of this population. The modern ideal of a community of culture throughout the nation has to some extent been realised here,² by the hearty welcome given by

¹ It has been almost impossible to give references for the following section, since my material has been well-nigh entirely collected personally, and chiefly by word of mouth. Mr. R. Young, secretary of the Northumberland miners, has been good enough to look through the proofs of this section, and considers they represent the case truly.

² *A propos* of this I may mention a letter I received from a miner who had spent his youth in the levels, until he rose to the position of a Trade Union official. The letter contains his views of the place of Goethe in the nineteenth century.

the miners to those movements emanating from the Universities, which will always be associated with the name of *Arnold Toynbee*.

The position held by *Mr. Burt* points in the same direction. He is the secretary of the Northumberland miners, and has for many years represented the interests of his constituents in Parliament in a wise and moderate manner. "Honest Tom," the miners call him, and his parliamentary colleagues have learnt to respect him as true to this character. When the prolonged strike of 1887 reduced the mining population to great straits, the "Social Democratic Federation" sent agitators down to try to shake Burt's position, but at the next general election, the well-tried leader was returned by an overwhelming majority.

Mining has gone through the same three stages as other industries. The evidence collected by the Royal Commission, which published its report on the *Condition of the Children Employed in Mines* in 1842, shows how terribly the mining population was ground down in the first stage of unorganised industry. We may also consult the biography and speeches of Lord Shaftesbury, which contain truly appalling details of the labour of women and children.

The second period, which may be called the period of strikes, during which the workers were organising themselves and trying to better their condition by wage contests, began in 1830, and extended to about the beginning of the seventies.

The oldest existing society of any importance is the "Miners' Mutual Confident Association" of Northumberland, which was founded in 1863. During the sixties, however, it was not recognised by the colliery owners, so that negotiations between the two parties were impossible. All disputes were fought out, the Union meanwhile supporting the strikers. About the same time the employers combined, mainly with a view to giving the management a greater power of resistance in conflict with the men. The sixties are therefore marked by a series of embittered strikes, although there were very few fluctuations of trade during that period, and wages, on the whole, were maintained at the same level. *Dr. Spence Watson*, who was an impartial observer,

says that scarcely any important changes, whether in wages or in the methods of work, took place in those days without a strike.

At the beginning of the seventies an extraordinary impulse was given to the coal industry, and, for the first time for twenty years, a question affecting the wages of the whole district was raised. The miners considered themselves entitled to a share in the increased profits of the coalowners in the shape of higher wages. The Union, which had hitherto only embraced a minority of the miners, took up the question, and about the middle of May, the members of the Union working in the various mines presented their demand for a rise in wages to the respective authorities severally. This was in accordance with the usual practice, but the employers took a decisive step in a new direction, by declining to deal with the proposals separately, and saying that they would receive a deputation from the Trade Union, and confer upon the application. That is to say, they intended to act in concert, and make terms collectively. The Union was the more willing to agree to this proposal, since a general increase was the very thing the men wanted. Mr. Burt was entrusted with the negotiations, and applied for a general advance of 20 per cent. Then for the first time a meeting of the representatives of both sides was held. The employers were above all things anxious to avoid a strike, owing to the unusually favourable state of the markets, so the negotiations were conducted in a friendly and pacific spirit, and ended in an increase of 10 per cent. The immediate result was that the Union greatly increased in strength, since it had so successfully represented the interests of the employees; and it now embraces practically all the miners in the county.

A similar meeting of the two parties engaged in the Durham collieries took place about the same time (1872), the only difference being that it was not until after the beginning of the seventies that either side organised itself into a great association embracing the whole county. The point in question for the county in this case was one not of wages but of hours. These negotiations took place in 1872.

A. THE STANDING JOINT COMMITTEE.

After these first negotiations each party was aware of the existence of a body of regulations that both had sanctioned. An agreement to an advance of 10 per cent. of course implied an established scale of wages; and although each party tried to fix that scale as much as possible to its own favour, yet both of them felt that it was in the common interest to withdraw the matter when once fixed out of the field of incessant wrangling. It was this conviction that gave rise to the Joint Committee of coalowners and miners, a further development of the committee to investigate "individual cases" provided for in Mundella's statute, with which, however, it has no historical connection.

Here, as in the Lancashire cotton trade, the idea, in the first instance, was to settle disputes arising out of existing agreements. But the absolutely independent development in the two cases may be seen in the fact that the institution founded by the miners goes by precisely the same name, "Joint Committee," as the meetings of employers and operatives in Lancashire to deal with the other class of questions—that is to say, the Joint Committee in Northumberland and Durham *decides* difficulties arising under existing agreements, just as the secretaries do in Lancashire; whereas the joint committees of Lancashire *negotiate* for the settlement of fresh agreements, a function which does not come within the scope of the mining body of the same name.

Mr. T. W. Bunning did good service when, as secretary of the Northumberland and Durham Coalowners' Association, he put himself in correspondence with *Mr. Crawford*, the secretary of the Durham Miners' Association. Here again we see the salutary influence exercised by paid officials who are not too far removed from each other in social position, and are not personally concerned in the differences between employers and workmen. These gentlemen's consultations resulted in proposals by which minor disputes could be amicably settled, while the hands of either side were left free on really vital questions.

In the beginning of 1873 there was a meeting between the coalowners and miners of Durham and Northumberland, and a Standing Joint Committee was appointed. Both coalowners and miners hold their meetings in Newcastle—the centre of the coal trade of the district. The object of the committee was thus expounded—“to discuss all questions (except such as may be termed county questions affecting the general trade) relating to methods of work, wages, practices of working, or any other subject which may arise from time to time at any colliery, and which shall be referred to the consideration of the committee by the parties concerned.” (Extract from Rule 1 of the Northumberland Joint Committee.) At first conferences only were contemplated; but in 1877 the rules were so altered as to empower the committee to give a final decision on the questions submitted to them. So Rule 4 of the Durham Joint Committee decrees that it shall have full power to settle all matters brought before it; its decisions are to be final, and to bind all parties as the Committee shall decree.

Since their institution, sixteen years ago, the activity of the committees has been continuous. The very fact that they have no jurisdiction in questions affecting the general trade has proved a special advantage. Even at the time when strife was highest between the two parties, the proceedings of the committee have retained their businesslike character, and shown how personal feelings subside in the face of concrete facts. The decisions were hardly ever disputed, neither party ever objected to the system itself. The following figures will suffice to give an idea of the importance of these committees:—The Durham Committee dealt with 390 cases in 1881; 493 in 1882; 562 in 1883; as many as 629 in 1884;¹ while the Northumberland Committee has discussed and decided about 4,000 cases in all. Its decisions from 1873-1886 have been printed in a single volume, and have

¹ Spence Watson on Boards of Conciliation, etc., in the *Barnsley Chronicle* (March 20th, 1886).

elaborated a complete system of customary law regulating the conditions of labour down to the minutest details.¹

For various reasons it is almost impossible for the workmen to appeal to the law, and therefore it is only by means of the committees or other similar bodies that they can actually realise the state of things assumed in theory by the Legislature and the public opinion of the nineteenth century—*viz.*, that whatever the conditions of labour established by consent and custom may be, they constitute a system of reciprocal duties and rights which are not dependent for their observation on the goodwill of one side.

The committee is constituted as follows: six workmen are chosen to sit on it by the Miners' Union, and six colliery masters by the Steam Collieries Defence Association. They elect a chairman, who has a casting vote. *Mr. B. Forster*, a Northumberland coalowner, originally filled this office for his county. He felt, however, that since he was himself, in a way, one of the parties concerned, he was bound to forego his casting vote, which led to considerable inconvenience and often prevented a decision. From 1876 onwards the two associations have agreed to put a lawyer in the chair; his want of technical knowledge being comparatively unimportant, since an equal division is sure to have been preceded by a very full discussion of the facts, whereas strict impartiality in giving the casting vote is of the utmost importance. In fact in the long run it is indispensable to the existence of the system. Since 1876, the County court judge, *Mr. E. Maynell*, has filled the office of chairman in both Northumberland and Durham, and during his tenure of office the Committee has advanced considerably in the application of uniform principles. The procedure is as follows. Communications must be made in writing through the officers of one of the associations, and not directly from individuals; lists of agenda are drawn up by the masters and workmen respectively, and each is communicated to the other side four days before the Committee meets. The cases are

¹ Steam Collieries Defence Association: *Proceedings of the Joint Committee*. (Printed but not published.)

brought forward by the two sides alternately. The Committee begins by deciding whether it is competent to deal with the question under consideration, and, as I observe from the book above referred to, often rejects cases as falling within the category of "county questions." If it declares itself competent, it decides at once in many cases, *i.e.* when the facts are obvious. If evidence is needed the Committee can itself call witnesses and examine documents. It is much more usual, however, for two commissioners to be chosen, one from each side, who, like the Lancashire secretaries, go to the place where the dispute arose, and make the needful investigations on the spot. They present their reports to the next meeting of the Committee, which then makes its decision. Often, however, the Committee entrusts the two commissioners with the final settlement of the matter, thereby putting them in the position of arbitrators. If they cannot agree an umpire is nominated by the chairman of the Committee in Northumberland, while in Durham the rules provide that he is to be the county court judge, in this case the chairman, Mr. Maynell, himself. In less important matters the Committee frequently depts an expert to decide the matter; in fact, there is great elasticity in the choice of means.

The Committee is empowered to alter its own rules, and such alterations are actually made nearly every year. It must be noticed that the two parties share expenses equally, an arrangement which typifies the equal footing on which they meet.

If a member is personally concerned in any question he must not take part in the voting, in which case a member of the other side must also withhold his vote. In many cases the question is not voted on at all, and is decided after an informal conversation. Individual members often undertake to set the matter right, especially the representatives of the workmen when the employers make representations; for, as officers of the Unions, they can require their members to remove the cause of complaint. In such cases the Committee adjourns the decision. Now regulations must exist before they can be applied to special cases, and the difficulty is that the work required in the mines is of such a

varying nature as to make it impossible to draw up a list which shall fix the exact wages for every kind of work. Regulating principles, however, have been established in the several districts by custom, and the Joint Committees have largely contributed to this result by adjudications extending over a period of many years. A glance at these will enable us to gain some idea of the multifarious duties which fall to the Committee.

In the Northumberland and Durham mines, division of labour is highly elaborated. The workmen fall into seven principle classes, which are again extensively sub-divided. The most important are the "hewers," *i.e.* the actual miners, who are exclusively occupied in hewing out the coal. As we shall see, they exemplify the principle which to a certain extent runs through English industry; the principle of reducing the cost of production, not by reducing wages, but by increasing the efficiency of labour. The wages of all the other classes depend on those of the hewers, but while the latter are paid by the piece, most of the others are paid by time. All complaints relating to the wages of the latter classes must be dealt with by the committee by comparison with the average daily wage of the hewers, and are allowed or rejected according to whether such wages are in the customary ratio or not. The following details will give some idea of the difficulties of the task.

The second class includes all the underground men except the hewers. It comprises 32 sub-classes, 19 of adults, and 13 of boys. To the third class belong all the underground men who receive higher pay than the miners, *e.g.* overseers and others, whose wages also vary greatly. The fourth class, with 37 sub-divisions, consists of the workmen employed above ground; the fifth and sixth of enginemmen, mechanics, and so forth, receiving higher pay than the miners. Some of them belong to the Amalgamated Society of Engineers, in which case they are not included in the arrangements made with the miners. Finally, we come to the labourers. All of these, with the exception already mentioned, recognise the authority of the Joint Committee, which maintains their wages in the customary ratio. There is

however, a growing tendency to pay by the piece. All these payments depend on the average wage of the hewers. Thus if the wages of the hewers are raised 5 per cent., all other wages, whether paid by the piece or the day, are treated in the same way, so that the former proportions remain unchanged.

The hewers are paid so much per ton of coal extracted. The committee reckons the average payments during the current year for hard and soft coal throughout the county according to the general rules we shall consider below. This average regulates its decisions. The actual oscillations of wages round this point are very wide. An access of difficulty in the work is accompanied by an increase in the rate of wage, as when there is stone mixed with the coal, or when the roof is insecure and threatens a fall of stones, etc. etc. Apart from these special cases, the work in each seam falls into two divisions. Narrow passages have first to be cut in the coal, and crossed by others so as to make a kind of coal pillar from 30 to 60 yards square; then these pillars have to be blasted. The first part of the work is far harder than the second, and is consequently paid at a much higher rate.

It is obvious that the changing conditions of the miners' work may constantly lead to fresh intricacies. Fixed schedules of wages are therefore impossible, and the men who think they are underpaid, or the masters who think they are overpaying, have to apply to the Joint Committee. The case is gone into on the spot, and decided with reference to the average wage in the district. The committee cannot alter this. To raise or lower it would be a county question, and would be tantamount to a general rise or fall in wages. All it can do is to raise or lower the rate of payment in individual cases so as to bring it into accordance with the average wage paid in the county for that class of work. But since it is impossible to attain to a mathematical accuracy in these matters, the rules of the Joint Committee provide that an alteration in the pay of the hewers shall not be made unless it can be shown that they receive 5 per cent. more or less than the average wage paid for the class of work they are doing.

Hence it follows that the greatest variety of wage prevails, not

only in different mines, but even in the same. The wages, *e.g.*, in two neighbouring mines, varied from 1s. 2½d. to 2s. per ton. The daily earnings varied from 3s. 6d. to 4s. 9d. Thus it would seem that the men consider that their actual earnings ought to be higher when the work is specially difficult.

Cases dealing with the question of wages are by far the most numerous of those which come before the Committee. For instance, the men may demand a higher rate of pay because of an influx of water, or because the seam has become narrower, or on the ground that they have not received an increase which has been promised to the whole county. The employers may ask to have the rate of pay reduced on the ground that the seam is "broken," *i.e.* the galleries are cut out, and it only remains to blast the pillars, or because the coal is softer and therefore easier to work; or they want a certain class of wages adjusted to a general reduction decreed for the whole county, or they want their mines taken out of the higher paid "steam coal" mines, and classed among those which produce soft coal. These and similar cases are dealt with by the Committee.

But the decisions of the Committee may travel outside the question directly raised by the parties. For instance, on one occasion the miners asked for a rise in wages on account of the abnormal heat in a pit. The Committee rejected the proposal on the ground that under the circumstances work ought not to be done at all; and it requested the employers to see that the temperature was brought down by improved ventilation. It refuses to deal with general questions; *e.g.* when the workmen demanded an allowance hitherto not customary in consideration of their loading the coal appropriated to their own use, the Committee refused to entertain the question, as it would be establishing a new principle, which was outside its province.

The system of wages, and therewith the decisions of the Committee, were further complicated by the introduction of the "Billy Fairplay" system. It is of the greatest importance to have the hard Northumberland coal in as large blocks as possible. It is, therefore, in the interests of the owners for miners to have

some incentive to get it in this form, by making the most of each "blast" and working down to the rock bed of the seam. The associations of the miners and the owners agreed in 1877, that the management should have the option of paying by the amount of the "round" coal. This is obtained by letting the coal pass over bars which allow the smaller pieces to fall through. It was substantiated by the award of *Dr. Playfair* that a ton of coal had hitherto contained 60·8 per cent. of "round" coal. Accordingly, for $\frac{60\cdot8}{100}$ ton of "round" the hewers were henceforth paid the average price for getting a ton of ordinary coal. Thus, if a miner succeeds in getting a higher percentage of "round" coal he increases his earnings accordingly, but, of course, he gets nothing for the small coal which passes through the screens. The introduction of this system, which is only partially adopted, was a "county question," but the constant difficulties to which it gives rise are decided by the Joint Committee. In this case the average rates paid per ton at the time form the basis of its decisions.

Under a system of piecework the length of the working day is not of so much interest to either party as it is when wages are paid by the day. Nevertheless, the Committee has not infrequently to deal with questions of the hours of labour. Here, too, the aim is to increase the productivity of labour as much as possible. The hours are exceedingly short, 6 or $6\frac{1}{2}$ hours (exclusive of the time spent in descending and ascending the shafts), but the Committee in certain cases allow a longer working day. The men work in a double shift, a second gang replacing the first after a stretch of 6 or $6\frac{1}{2}$ hours. This system might lead to each man working only in his own interests without regarding those of his successor, but this is guarded against by the two-men going into partnership, *i.e.* they are paid together as one person, and are often father and son, or members of the same household.

We quote a passage from the examination of Mr. Mammatt, who gave evidence as to the coal trade of Yorkshire, where there is a longer working day, and only one shift. It is on p. 128 of the

proceedings before the Court of Arbitration held in July, 1877, when Sir Rupert Kettle was umpire.

"The Umpire. In point of fact, if you take what is got out of the mine and what goes each day—the output each day to which the standing expenses apply—the thing would be more profitable, the way it is worked in Northumberland, than with you, because you get out per diem, as I understand, in Northumberland, double the amount they do with you?

"Answer. In the same time; in the twenty-four hours.

"Question. In the twenty-four hours; and many of the existing charges would be regulated by the twenty-four hours?

"Answer. Yes.

"Mr. Bunning [employer's secretary]. Double the number of men?

"Answer. There are double the number of men here to work.

"The Umpire. They are paid by what they get out, and it does not matter whether you have double the number on half the amount of men. What I mean is, if you get out six tons a day in place of three tons a day, a good many of your standing charges would be spread over the six tons instead of over the three tons."

Since the individual workman does more, not less, in his short hours, than men working longer hours elsewhere, the employer finds himself in the same position as if he had a man working twelve or thirteen hours and producing twice as much in that time as the employees of the mines with which he competes.

This complicated system of piecework, short hours, and the double shift, would be unmanageable but for the activity of the Joint Committee, which adjusts each class of work to the regulation wage. But for it, since the wages cannot be paid according to a list, absolute insecurity would prevail. The workmen would always be complaining of unfair wages, and there would be constant local strikes, which would be particularly fatal to an industry which depends so much on the productivity of

labour. On the other side, each employer would try to gain on his competitors by beating down the wages of his employees. Both these dangers are averted by having a central authority, which keeps the terms of employment uniform throughout the county.

Although, as we have seen, the Committee bases its decisions on the average payment per ton, it often has to consider the average daily wage of the miners. We have already referred to a case of this sort, *viz.* the determination of the wages per day of some classes of work in the mines. Besides this, there is a regulation that the average wage, if increased by long hours, not difficulties in the work, must not exceed 5s. 2d. This fixes a maximum of overtime. And again no employer may demand a reduction of wages until the average daily wage in his mine is 5 per cent. more than 5s. 2d.

The average daily earnings vary with the rise and fall of piece-wages. The Northumberland miners get more per diem than those of Durham. *Mr. Reginald Guthrie*, the present secretary of the coalowners of both counties, has supplied me with the following figures:—

In the 7 hours shift ("from bank to bank," *i.e.* including the time taken in getting from the pit mouth to the spot where the man's work lies, and back again), the men get 5s. 2d in Northumberland, 4s. 8d in Durham. In the 6½ hours shift, 4s. 9½d. in Northumberland, 4s. 5d. in Durham.

In spite of this, the Durham miners are better off than those of Northumberland, because the latter depend on the opening of the Baltic in the Spring, so that a late Spring often throws them out of work.

To complete the picture of the Committees' activities we must add that the married miners are supplied by the owner with a house and a strip of garden, of the weekly value of 1s. 6d. to 2s. This custom naturally gives rise to a special class of disputes as to the conditions under which the house is granted, the state it is in, and so forth. In the same way the Committee decides on

the workman's right to free firing, and his obligations to supply light, powder, and tools for himself.

In addition to this the Committee is used by the employers as a means of checking abuses among the workmen, which they would otherwise be hardly in a position to stop. Thus I find representations that the men have not worked out the floor or roof of a gallery properly, or complaints that they have used powder too much in place of their picks, a practice which spoils the coal. The workmen, knowing that the decisions of the Committee are supported by the officers of the Union, have to give way, and even to submit to fine or punishment.

The Committee is, however, specially severe on those who leave work on their own account, however reasonable their cause of complaint. An unauthorised strike practically implies that the men do not recognise the authority of their leaders. In such cases their complaints are either disregarded, or are adjourned for consideration till after work has been resumed. Of course the Union does not give them strike pay under these circumstances.

This sketch will give some idea of the extensive sphere of action of the Joint Committee. Its strength lies in the fact that it confines itself to decisions of a technical and judicial nature, and does not attempt to deal with general economic questions, which are often of so much consequence to both sides that neither would submit to the judgment of a third party. To these belong all questions of a general alteration in the rate of wages per ton. Such wider questions the Committee does not attempt to answer, but it enables them to be put concisely. Instead of a hundred different changes of wage, the demand for a rise or fall can be expressed, for instance, as "5 per cent." This is essential for the amicable solution of these problems, whether by negotiations between the two associations, by arbitration or by sliding scales. But the direct influence of the Committee has been very great in reducing the struggles which spring from "individual cases." During the last ten years there have been two general wage strikes, one in 1878 and one in 1887. Leaving out these years, as the Committee had nothing to do with

the questions involved, we get two periods of eight years each, 1870-77 and 1879-86. In the first, in the course of which the Committee was constituted but had not as yet pronounced any definitive decisions, the sum of £12,337 was spent by the Union on local strikes; in the later period, only £4,275; the yearly average in the first period was £1,525; in the second, £531, which last is a remarkably small sum, when we remember that some of the owners did not join the employers' associations, so that a strike was the workers only means of redressing their grievances.

RULES OF JOINT COMMITTEE AS REVISED IN 1884.

"1. That the object of the Committee shall be to discuss all questions (except such as may be termed county questions affecting the general trade)¹ relating to matters of wages, practices of working, or any other subject which may arise from time to time at any particular colliery, and which shall be referred to the consideration of the Committee by the parties concerned. The Committee shall discuss all disputes and hear evidence, and their decision shall be final.

"2. The Committee shall consist of six representatives chosen by the Miners' Union, and six representatives chosen by the Steam Collieries Defence Association, and an independent Chairman to be chosen annually, which Chairman shall have a vote.

"3. At meetings of this Committee it shall be deemed that there shall be no quorum unless the Chairman and at least three members of each Association be present.

"4. Each party to pay its own expenses.

¹ It is this which distinguishes the Joint Committee from a Board of Conciliation. In the rules of the Board of Conciliation in the Chemical Industry of Northern England—a Board which is at present in abeyance—provision is made for the Board to come to decisions in wage questions and all other matters affecting the mutual interests of workmen and employers. And in the same way the Nottingham Board of Conciliation was to decide "any questions whatsoever." This is what constitutes the weakness of Boards of Conciliation.

"5. Should any alteration of or addition to these rules be desired, notice of such change shall be given at the meeting previous to its discussion.

"6. If any member of the Committee shall be directly interested in any question under discussion, he shall abstain from voting, and a member from the opposite party shall also abstain from voting.

"7. That an agenda of the cases to be heard by the Joint Committee shall be sent out at least four clear days before each meeting, and it shall not be competent for any member to propose any other matter for discussion.

"8. When both owners and miners have cases on the agenda paper, one case from each side shall be considered alternately.

"9. That if any case be referred to arbitration, and the arbitrators fail to agree as to the appointment of an umpire, the Chairman of the Joint Committee shall make the selection.

"10. All applications for advances or reductions in any portion of a pit shall open up the question of the prices paid to the same class of workmen throughout the whole of the pit.

"11. That before any change in hewing prices be entertained, it must be clearly shown that the average wage on which the claim is made is at least five per cent. above or below the county average.

"12. That both the owners and the men shall give not less than ten clear days' notice of any application to the Joint Committee. The notice between the two Associations to remain as at present, five clear days.

"13. That when applications are made for either advances or reductions in wages, or any other change, the three pays before the application be taken, excluding the first and last pays of the quarter, but that no evidence as to any pays be excluded.

"14. That no case be re-heard until one meeting intervenes.

"15. That two pits being cavilled through, be considered as one, and the average of the whole be taken.

"16. The county average being taken at 4s. 9½d., it was agreed that the increase of hours, where it leads to an in-

crease of work, shall be taken at $4\frac{1}{2}$ d. as the maximum, but each case to depend on its own merits.¹ It is understood that no owner can claim any reduction unless the pit's average is at least five per cent. above 5s. 2d. In case of any colliery claiming an advance, the county average is to be taken at 4s. $9\frac{1}{2}$ d., plus any advantage which may have arisen from the increase of hours and Billy Fairplay.²

"17. That advances and reductions commence on the first pay, commencing after the decision.

"18. That reports and awards should state the date at which any contemplated change should take place."

B. THE SETTLEMENT OF GENERAL QUESTIONS.

We shall now proceed to consider how what are called "County Questions" are decided, *i.e.* how the two parties arrange those general conditions of employment the application of which to individual cases we have already studied.

The terms of employment are regarded by law as matters of contract; but as a fact, a contract, that is to say an agreement between two independent parties, is only possible between employer and workmen when the men have become strong enough by combination to make their influence really felt. The form which the terms of employment will take depends upon which of the parties can dispense with the other most easily, and for the longest time; and cases will always occur in which the question will be decided by actual experiment, a point ignored by those Boards of Conciliation which bind the hands of both parties for all time; on the other hand, the number of such contests may be enormously reduced. For one thing, knowledge of the material circumstances which affect the fluctuations of wages, especially the state of trade, is becoming more and more accessible to the

¹ See p. 182.

² This provision was made on July 12th, 1879. Of course, the average daily wage varies; the variation being always estimated in percentages following the daily wage or other accepted gauge.

men, and therefore it is easier for them to foresee what the results of a strike would be. When that is the case, the settlement of the terms of employment is effected by amicable negotiation.

But since these considerations affect the whole trade, and it is not a question of the profits of individual masters but of the general state of the market, the tendency is to make common terms for the whole trade at once, as is done in Lancashire. In the mines of Northumberland and Durham the Association of Owners arranges alterations in wages for each county as a whole, with the workmen's Union of the county concerned. As the old class opposition dies out, we find an increasing preponderance of decisions made without a contest. Thus I find that, since 1870, there have been thirteen cases in which an alteration in wages has been made by negotiation, and only two general strikes. In Durham, where the changes seem to have been more frequent, there has only been one general strike during the period. We will glance rapidly over the history of those changes, beginning with Northumberland.

About the middle of 1871, the English coal trade entered on a period of unprecedented prosperity. Deputations from the several Northumberland mines waited on their employers to ask for a rise in wages. They were referred, as we have seen, to the Employers' Association, which for the first time entered into negotiations with the Trade Union, and agreed to an increase of 10 per cent. throughout the county in the beginning of 1872. In the same way there was a further rise of 20 per cent. in July, 1872, and of 20 per cent. more in March, 1873. Thus wages rose 50 per cent. altogether by means of negotiation, for the managers would not risk that diminution of their unexampled profits which would have resulted from a strike. In 1873, the reaction set in. As the market price of coal fell, the employers demanded two reductions in the course of 1874, both of which were arranged by negotiation between the two parties; the first was of 10 per cent., the second of 14 per cent. But when a further reduction was demanded in 1875, the men doubted whether it was necessitated by the state of trade, and whether they could not offer a successful

resistance. This uncertainty led them to propose arbitration. The employers assented, and a period of arbitration followed as the markets declined. The first instance was in 1875, before Sir Rupert Kettle, who had already successfully filled the post of arbitrator in other trades, and he decided for a reduction of 10 per cent. In the same year *Lord Herschell* adjudged a further reduction of 8 per cent., and in August, 1876, Sir Lyon Playfair one of 7 per cent. In July, 1877, however, Lord Herschell rejected the demand of the employers for a further reduction. It would appear, however, that this award was not based on sound considerations, for three months afterwards the employers demanded a reduction of 15 per cent., and expressly declared that they would not submit to arbitration. A strike ensued, in which the employers were victorious.

In Durham events followed the same course. Here, too, wages rose 50 per cent. in 1872-3, and between 1874 and 1876 there were five reductions, four of which were arranged by arbitration.

It would seem desirable to pause here in order to investigate more closely the nature of industrial arbitration as it has been developed in England; so that when we come to consider the iron trade, in which it also plays an important part, we need not return to it again.

Arbitration can only be introduced into an industry which has reached that amicable stage in which the men no longer regard the employers as enemies and oppressors, but look on them merely as economic opponents. Without this, the workmen would have no confidence in the impartiality of the arbitrator, who generally belongs to the upper classes. On the other hand, the employers would consider it beneath their dignity to permit a third person to fix their relations with their employees. The proceedings before the arbitrators in nearly every trade show that as a matter of fact a large proportion of English industrial life has already attained to this condition of peace.

The courteous tone of the negotiations is very remarkable when we reflect how keenly interested both parties are. It means a loaf more or less to the workmen, with perhaps hungry children at

home ; and to the employer it may mean the ruin of his business. It seems as if each side wished to show that the opposing attitudes they assume result from no personal feelings, but rest on purely economic grounds. Thus the employers declared before Sir Rupert Kettle in 1875 that the miners "formed both physically and morally a most advanced type of mankind, from which some of our most talented and clever inventors and senators have been drawn, and from which, with great skill and judgment, some of the ablest advocates have been selected that ever represented any body of men." It is just the language of a barrister extolling the powers of his opponent. In his award the arbitrator testified to the friendly spirit in which the proceedings had from first to last been conducted, while a few years later Lord Herschell said that the matter "could not possibly have been conducted in a more excellent spirit or more ably than it was." And the workmen, who are more inclined to intemperate language, endeavour as far as possible to maintain on their side this tone of mutual courtesy. "We do sometimes say hard things," says one of their representatives, "when we get heated, but as soon as the meeting is over we forget them." And again, "We cannot but admire the conciliatory spirit in which we have been met to-day; and we will try to reply in the same spirit." (From Shaw-Lefevre's *Award in the Iron Industry*, 1878 ; quoted by Price, *Industrial Peace*, p. 47.)

The truly remarkable action of the ironworkers will do more than any words to show how class hatred has given place to mutual confidence. Time after time, when a very serious alteration in wages was involved, they chose Mr. David Dale, a much respected owner of iron mines and works, as arbitrator, feeling that even when his own interests were involved he would judge impartially between the two sides.

The forms under which the arbitration is conducted are various. Either the parties choose two arbitrators, who then select an umpire, or a single arbitrator is chosen by a direct agreement between employers and workmen, but the difference of form is recognised as merely external. The two "arbitrators" are really nothing but advocates, and a settlement between them is practi-

cally impossible ; otherwise the parties would have come to terms without the help of arbitration. So that here, too, the decision is in the hands of one man, and the others are there merely for his enlightenment.

The proceedings are oral, but the party seeking a change begins by submitting a written statement of their case, to which their opponents present a counter statement in similar fashion. Then come the examination and cross-examination of the witnesses and so forth, and lastly, the closing speeches of either side.

But although the form is that of a judicial proceeding, the arbitration, as in Roman law, really derives its sanction from the *agreement* of the two parties to arbitrate. The terms of employment are not fixed, as they used to be, by an outside authority standing above the parties. On the contrary, with the advance of industrial development the reality of a contract is being steadily substituted for a merely legal form. We have already seen how the increase in wages at the beginning of the seventies was brought about by agreement between the two sides. Ever since then the less important among those points in the settlement of the terms of employment which the Joint Committee put aside as county questions, have been settled year after year by agreement, in general meetings of large deputations from either side. A similar agreement underlies every case of arbitration ; here, too, plenipotentiaries are empowered to negotiate and to enter into contracts for the future ; the only difference being, that the actual contents of the contract are wholly or partially determined by a third party. Submission to the award depends on this spontaneous agreement. This becomes obvious when we see that the parties frequently arrange to withdraw from arbitration points on which they are agreed. Thus it has been sometimes arranged that the arbitrator is to determine wages within certain limits, that he is to start from a certain year which both parties agree to take as normal, and is to make his decision on a comparison of the contemporary conditions of industry with those of that year. Limitations of this kind by written agreement were, for instance, made the basis of *Mr. Wheeler's* arbitration in Cumberland in

1875. It is also very common to determine, in appointing an arbitrator, for how long his award is to hold.

Since industrial arbitration rests on an agreement ; it is imperative that either side should possess suitable machinery for expressing their wishes and pledging their action, *i.e.* that they should be organised into associations. It is therefore impossible where the workmen face the employers as individuals. How would it be possible to individually pledge thousands and tens of thousands of men to submit to a single decision ? When all was done it would still be possible for each man to declare that he did not hold himself bound ; and matters would not be advanced a step. But when the workmen are organised, the Union sees to the carrying out of the award. Although hundreds of awards have been made in the English trades they have scarcely ever been challenged, and it has never been necessary to have recourse to legal decisions. Here, too, we see the importance of public opinion, affording the most powerful guarantee that the award will be accepted. As compared with this, the appeal to the law provided for in both Sir Rupert Kettle's rules of procedure in arbitration, and Mundella's Act is found to be of small importance.¹

As to the considerations which influence the arbitrator's decision, experience has shown that he should confine himself exclusively to the facts which would have ultimately decided the rate of wages, had he not been applied to ; that is the actual power of enforcing their demands possessed by either party. Attempts

¹ Mundella's Act of 1872 [Arbitration (Masters and Servants) Act, 35 & 36 Vict., c. 46] enables workmen and employers to bind themselves to submit all future wage contests to arbitration, but the Act has remained a dead letter. With regard to the power of enforcing an award by law, the power given to the leaders of a Union to treat on behalf of its members, is made binding by statute upon all the said members, and is acknowledged by each on his admission into the Union. But the power of enforcing an award by law practically comes to very little. Where workmen and employers are unorganised it is impracticable ; where they are organised it is superfluous. Thus Spence Watson (in an article on "The Settlement of Labour Disputes" in the *Contemporary Review*, May 1890) lays great stress on the need of both parties being really representatives of the entire industry of a large district.

are sometimes made to obscure this. It may happen that party tactics prevent the two sides from appealing to the balance of power which results from the state of the market. The side which is at the time the weaker often tries to adduce arguments, which shall involve the question in issues other than the one on which they know that defeat would await them. For instance, the workmen may oppose a reduced wage caused by a falling market on the ground that they could not live on it, or that it is not they who should be held answerable for defective management or interruptions in business, or that the employer, and not they, should suffer if the seams gradually become thinner, or it becomes more costly to bring the coal to bank as the workings extend further from the shaft, and other natural disadvantages arise.¹ Or the employers may contend that the workman can keep up the same standard of living because the value of money has increased, or because the co-operative societies have cheapened the necessaries of life. All these arguments are put forward merely to turn the arbitrator off the real issues by enlisting his sympathy. But it must not be forgotten that labour is an economic commodity, whose price is fixed according to the same laws as other prices. The point to be settled is a contract for delivery by which the price of the commodity "labour" is fixed on a given day, for a certain definite future period, a transaction similar to those arranged every day on 'change.² There is, consequently, the further feature of a time limit, during which the award shall hold, or the alternative provision of a notice clause. The arbitrator is in the same position as any other umpire who is called in to fix prices between two independent parties, and has simply to find out what the price would naturally have tended to become if he had not been called in. As his function is to prevent a contest, he must do the work of one, and discover the state of the balance of power between the two parties by scientific methods.

¹ *Industrial Peace*, p. 58.

² We speak of labour being "sold," in order to point out that economically the proceeding does not differ from the sale of any other instrument of production. "Hired," however, would be a more exact legal term.

He can only be certain of the validity of his decision when he has done this. If he gives way to the arguments put forward by party tactics, a sound and enduring regulation of wages becomes an impossibility. For instance, Lord Herschell on one occasion refused the demands of the employers, because they could not show that they were in a worse position than their competitors. But since they were at the moment really strong enough to enforce the reduction they demanded, the award could not hold, and they soon found other means of accomplishing their purpose.

Accordingly, David Dale warns the arbitrator against being guided by his feelings, and Spence Watson also says that however hard it may be, he must not, as arbitrator, shrink under certain circumstances from reducing the workman's livelihood, or even from inflicting, it may be, want and misery on a whole population. In this connection we can understand David Dale's view, that the minimum wage of a skilled, is actually lower than that of an unskilled workman, since it is much harder for him to leave his industry. On the other hand, a demand for higher wages is the more likely to succeed among skilled workers, and there is hardly any limit to the height to which their wages may rise, since when markets and profits are rising, the employers are entirely dependent on them.

Price's idea that there is a "normal" wage, i.e. a standard fixed to a certain extent by *à priori* considerations which, if it could be discovered, would form an enduring basis for the regulation of wages, must be combated from this point of view.¹ Just as there is no "normal" price of corn, for it varies according to the state of the markets, that is to say, the economic balance of power, so too with labour. Its price varies, as every other does, between a maximum and a minimum. The minimum is fixed by the cost of production. In the case of labour the subsistence minimum and the maximum is the point at which the purchaser, i.e. the capital engaged in the industry, withdraws.

¹ See Price, *Industrial Peace*; Munro, *Sliding Scales in the Coal Industry, Sliding Scales in the Iron Industry*.

If, from this point of view, we examine the arguments which decide an arbitrator, we find that in the last resort they all depend on the balance of power.

I. This is true in the first place of the principle that wages must maintain a certain ratio to the average rate of profit. When profits are high, the employers' demand for labour rises. The worker is therefore in a relatively strong position. But when profits are falling, the employer feels that he can dispense with the workman, and there comes a point at which he would rather stop producing than agree to a rise in wages. It is therefore in accordance with the laws which govern wages that all the English arbitrators make wages follow the fluctuations of profits to a certain extent. But what is the average profit? It is extremely difficult and generally absolutely impossible to determine it mathematically. But since profits generally increase together with the selling price, the usual method pursued is to consider the average *selling price* of coal instead of the *average profit*, on the assumption that the relation between the two is a fixed one. The other elements which together with wages constitute the cost of production (interest on capital, payment of royalties, cost of machinery, etc.), are taken as constant in these inquiries.

Of course this average selling price must not be taken simply from the statements of the employers, for in that case they would have the result of the decision in their own hands. On the contrary, it is ascertained by skilled accountants who have the confidence of either side, and who examine the books of the firms concerned. They are sworn to secrecy, and may only announce the results of their investigations.

In the first case of arbitration in the coal industry, the employers demanded a reduction of wages before Sir R. Kettle on the plea of reduced profits. They said that the wage per ton of coal extracted was 84 per cent. higher than in April, 1871, which had been recognised as a normal month by both parties, whereas the price of a ton of coal was only

64 per cent. higher, so that wages must be reduced to recover the normal condition of April, 1871. The workmen acknowledged this as a proper basis of negotiation, but sought to uphold their interests by challenging the figures adduced. "We have," they say in another place, "always expressed our readiness to have wages regulated by the price received for the coal, and we have shown our confidence in this principle by adhering to it, not only when the markets were rising, but also since they began to fall."¹ This was the acknowledged basis of every case of arbitration in Northumberland, until that conducted by Lord Herschell, in 1877, when the employers took up a new position in their demands. But the same arbitrator says, in 1876, "Both parties are pretty well agreed that the change of prices must mainly be the basis in determining what changes shall be made in wages."² It is clear from the actual negotiations that the idea underlying this reference to selling prices is that wages should bear a certain relation to profits, of which profits the selling price may be taken as a "rough, unskilful, but practical," index.³ The employers often enough urge that while prices have remained the same, the cost of production has increased, which is the same as saying that their profits are less. This was the meaning of their reference before Sir Rupert Kettle to the nine hours movement of 1871, and the Mines Regulation Acts of 1872 (35 & 36 Vict., c. 76 and 77). In later cases of arbitration, the workmen on their side insist that with the introduction of the double shift and the greatly increased intensity of labour caused thereby, the cost of production has declined, since the standing charges have been spread over an increased production.⁴ Here again the theory that profits ought to exercise a decisive influence on wages is recognised; and it is often directly enunciated.

In the blast furnaces, too, the price of the product is considered

¹ Quoted by Price, *Industrial Peace*, p. 56; from the report of Lord Herschell's *Award*, 15th Dec., 1875.

² *Ibid.*, p. 55; from p. 239 of Lord Herschell's *Award*.

³ *Ibid.*, p. 55; from Sir R. Kettle's *Award*, p. 9.

⁴ *Industrial Peace*, p. 57.

the basis on which wages are decided, and both workmen and employers declared in 1877 and 1878 before David Dale that they accepted it as such. But here, too, not a few considerations of decreased or increased cost of production affect profits, even when the marked price remains steady. The fluctuations in the price of pig-iron are specially insisted on by both sides. The employers follow the same line when they say, by way of justifying a reduction of wages, that though prices have not fallen proportionately, less iron is sold than formerly, owing to stagnation of trade. Here, too, we must supply the suppressed term of the argument, *viz.* that since profits have fallen wages must fall too. (Award of Messrs. Williams & Mundella in the Manufactured Iron Trade, 1876.)

It is clear that these principles can only be applied by taking some specific relation between wages and selling price (as representing profits) for the point of departure. In the coal trade the standard taken was the state of things before the increase of wages in 1871. The question what standard is to be taken is of decisive importance in determining the award, and constitutes the main difficulty in attempts to come to an understanding. For instance, when Lord Herschell was arbitrator, in January, 1876, the workmen objected to taking April, 1871, as a normal month, because at that time the Baltic was already open, and the price of coal was proportionately high; and as the arbitrator showed, January, 1871, would actually give results much more favourable to the workmen. The difficulty of getting a standard which would be recognised by both parties as fair was solved by taking the average over a longer period.

II. It is, nevertheless, impossible to regard the relation between wages and profits as fixed. It would be preposterous to expect the English workman, whose history consists of the record of constant readjustments of this relation in his own favour, to uphold such a position. On the contrary, he would fain establish the principle that his life and power of work must be maintained under all circumstances, and that the standard of comfort which

he has actually reached is to be upheld independently of industrial gains and losses. The employers, however, are very far from admitting any such principle, and sometimes appeal to the glut in the labour market, *i.e.* to an actual balance of power, which would make it possible for them to lower the present standard of comfort. This is why the workmen attempt, especially by shortening the normal working day, to absorb the mass of unemployed workmen, and so shape the labour market to their own advantage. Sometimes they are in favour of reducing the supply of labour by means of emigration, and so regaining the favourable position which they have lost. On similar grounds they have latterly been disposed in many cases to look favourably on trusts and rings for the limitation of production.

III. Just as the accepted ratio of wages to selling price will be departed from in a direction unfavourable to the workers when the labour market is relatively overstocked, so in the converse state of the market it will change in their favour. Thus the shifting in the balance of power expresses itself in an increase of wages at the expense of profits. This is the meaning of the constant consideration of the wages prevalent elsewhere. If wages are higher in the neighbouring county the workmen occupy a point of vantage; if lower, the position of the employers is strengthened. Hence arises the tendency to equalise the wages in each industry; so that in certain trades wages are now, as a matter of fact, uniform throughout England. In July, 1877, the Northumberland employers urged that in every other centre of the coal industry the men worked longer hours and received less pay. The workmen replied that they produced proportionately more, and that the price of the coal they got was higher, so that their employers were in a better position than their competitors. Lord Herschell, who was arbitrator, considered this argument valid, and therefore refused the employers' demand but, as we have said, it was not possible to maintain his decision.

Since the arbitrator bases his award on the balance of power as determined by the state of the market, he must also, in the

interests of both sides, consider the position of the industry in question in the world markets. If, for instance, international competition prohibits a rise in wages or necessitates a reduction, the employers can dispense with the workers more easily than the workers with the employers, while a favourable adjustment of the conditions of international competition has the opposite effect.

The exposition of these international forces as they affect industries which supply the world market, is perhaps the most fruitful branch, economically, socially, and politically, of the whole work of an arbitrator, for it affords the workers a practical means of learning the conditions on which their existence depends: They learn how the permanence of their employment and the amount of their income are dependent on the prosperity of their trade and of their country, and it awakens them to a perception of the dependence of the welfare of their class on the welfare of the community. But if the award is to have this effect, it is imperatively necessary that the arbitrator should have thoroughly mastered the state of trade and the economic condition both of his country and of the world market. Great employers, trusted statesmen and economists, will make the best arbitrators. But men of this class, entirely free from either consciously or unconsciously capitalistic views, were scarcely to be found before that revolution in thought to which we have so frequently referred.

Having taken a survey of the special features of the system of arbitration, which plays so important a part in all branches of English industry, we will now return to the coal industry of the northern counties. The cases which we have hitherto considered occurred when the market was falling, and, therefore, with the one exception we have mentioned, they resulted in a reduction of wages. To this the workmen submitted with perfect loyalty, and the mines did not stop for a single day during or after the decision.

But arbitration has its drawbacks. If the current price of labour were fixed according to the circumstances of the moment, each party would feel justified, at any real or fancied change in their favour, in demanding a new arbitration. Under such circum-

stances, cases would follow one upon another in a way which would be simply unendurable when we consider the apparatus which has to be set in motion. In the years 1875 and 1876 there were nine courts of arbitration held in Durham. Consequently, when in the last one *Shaw-Lefevre* had readjusted the rate of wages, it appeared absolutely necessary to prohibit a renewed application for arbitration within a certain time. Now all the previous awards had made the selling price of coal the basis of alterations in wages. Both parties therefore agreed that, for the next two years, wages should vary from *Shaw-Lefevre's* assessment according to the selling price of coal. This is the origin of the first "sliding scale" in the coal industry.

The scale adopted in March, 1877, provided that the wages settled by *Shaw-Lefevre* were to be adhered to as long as the market price of coal remained the same, *i.e.* from 5s. 8d. to 6s. 4d. per ton. For every increase of 8d. per ton, wages were to go up 5 per cent. But if the price fell to between 5s. 8d. and 5s. 4d., wages were to be reduced 5 per cent., and if it fell below 5s. 4d., $7\frac{1}{2}$ per cent. No greater fall was anticipated. It was further stipulated that the wages of an able-bodied man above ground were not to fall below 2s. 9d. per diem. This scale held, according to agreement for two years. The employers gave notice to "determine" it as soon as they were free to do so, on the ground that trade was declining. After a strike of several weeks in 1879, a court of arbitration was again appointed, in which *Lord Derby* granted a further reduction of wages at the instance of the masters. On the basis of this award a new sliding scale was introduced, more favourable to the employers than the first had been. It fixed no minimum, and arranged that wages were to rise or fall $2\frac{1}{2}$ per cent for every addition or subtraction of 4d. to or from what was taken as the normal price of coal. This scale has since been the basis of wages in Durham, and there has been neither wage contest nor arbitration since the time of its adoption. When trade improved in 1882, an alteration in favour of the workmen was made by means of negotiations between the two parties. The scale is no longer formally acknow-

ledged, but the principle that wages change with prices is still practically adopted. When prices rise, wages are re-settled in accordance with the new market price by special negotiations between the collieries and the miners.

Matters have followed much the same course in Northumberland. After the general strike in both counties which we have mentioned, Northumberland adopted, in November, 1878, a scale very similar to that of Durham, in order to lessen the frequency of arbitration. The standard price was fixed higher than in Durham, because the Northumberland coal is of a better quality. In 1883, there was an alteration in favour of the men. But the assumption on which the employers then acted, that the market was rising, proved false. They gave notice to determine the scale in the autumn of 1886, and then demanded an alteration of the "basis," which was equivalent to a fall of 10 per cent. in wages. The leaders of the Trade Union saw that they would have to give way, and negotiated with the employers for a court of arbitration. But the event showed how far the Trade Union officials are from the autocratic rulers of the working classes which they are supposed to be. Wages were already so low that the workmen thought they could not bear a further reduction. Contrary to the wishes of the Union, gang after gang began to leave the mines, making further negotiations impossible, though they were already well advanced towards a conclusion. This led to a great strike in the winter of 1886-87, which was greatly deplored by the best men of either side. The Union strained its resources to the uttermost, and expended nearly £40,000, of which £10,700 was contributed by other Unions and by private individuals throughout England. But it succumbed, as its leaders had foreseen it must, to the economic necessities of the situation. The victorious employers then brought in a scale which was equivalent to a reduction not of 10 per cent. but of $12\frac{1}{2}$ per cent., "just to punish the men," as the employers' secretary declared, for their foolish strike in the face of the state of the markets, and against the better counsel of their leaders. At the same time they were promised that the abnormal reduction should be made

good by a subsequent rise above the basis of the old scale. The position of the Trade Union leaders was, as may be easily understood, strengthened by the result of the strike.

This modified scale lasted from May to October, 1887, since when there has been no fixed scale; but the employers have continued to allow the selling price to be ascertained by confidential agents of the men. The Trade Union leaders declare that they have had opportunities of convincing themselves of the correctness of the information thus obtained. Prices having been ascertained by these methods, wages were arranged by negotiation, and were raised twice between 1887 and August, 1888, since when they have continued to rise, and by January, 1890, were 37½ per cent. higher than in 1887. We may remark in passing that the Joint Committee continues its activities although the scales have been abolished. The men hold that the unfavourable change in the basis of the scale made in 1887, and regarded by both sides as a temporary advance made by the workmen to their employers, should now be made good.

In this way the coal trade of Northumberland and Durham has reached a method of regulating industrial conditions very similar to that prevalent in the textile industries. In both, strikes and lock-outs are looked upon as an *ultima ratio*, to which the parties concerned are very loath to have recourse. Arbitration, too, appears to be almost obsolete as a solution. An arbitrator is, as a rule, a man without professional knowledge of the trade, and there is always a danger that, with the best will in the world, he may not be able to master the commercial and technical details sufficiently to avoid a wrong decision. In fact an arbitrator actually engaged in the trade is practically preferred, although in that case he must have quite exceptional personal qualities, in order to guarantee the needful impartiality. Thus, since it is scarcely possible to find an arbitrator possessing the necessary qualifications, the stronger party (the operatives' Union in the cotton trade; that of the employers' in the coal trade) avoids an appeal to an arbitrator whenever possible. But arbitration is replaced, not by strikes and lock-outs, but by

negotiation between the leaders of either party. The exhaustive knowledge of the facts possessed by the negotiating parties, and the forces by which they are respectively supported, enables these negotiations to be carried on with the same acumen, and to run their course as smoothly as the transactions between two great business houses.

The nature of the place taken by the sliding scale in the kind of settlement we have been discussing, shows that it is not (as many English economists have supposed) a superior instrument that supersedes the determination of wages by agreement. In fact it is so far subordinate as not itself to constitute a separate system of regulating wages at all, but can be associated with any system in force. On the one hand, as we shall see on pp. 217 and 221, it can adjust itself to the regulation of the terms of employment by the single decision of the united employers; on the other hand, it may co-exist with a system either of arbitration or negotiation. Under either system it obviates the necessity of re-settling wages as long as the economic balance of power remains essentially the same between workmen and employer. This is convenient, and prevents disputes perhaps for years. Consequently it is probable that, as time goes on, a new scale will be introduced in the coal industry of Northumberland and Durham, where both parties are convinced of its usefulness. Thus, Thomas Burt writes to Mundella that the system of sliding scales has worked in a most amicable and harmonious manner; that, in 1886, it regulated the wages of 60,000 workmen, that strikes were as good as unknown where it was in force, while some twenty years before they had been of frequent occurrence.¹ But the need of revising these

¹ Mr. Young, another leader of the above-mentioned Trade Union, says the same thing in an article in the *Newcastle Leader* of January 23rd, 1890. We may add that the great gain to industry lies in the possibility introduced by the scales of arranging wages for a prolonged period, often for years. The employers are sure of their command of labour, and can arrange their contracts accordingly. It is universally acknowledged that the introduction of the scale helped the Northumberland coal trade over a severe crisis which might even have been fatal to it. Whereas, during the six years 1874-80, the total production of coal in England increased (with

scales, when the economic balance of power changes, whether it be done by arbitration or negotiation, can never be eliminated.

When we turn to the other mining districts we find scarcely anything to add. The state of things everywhere is very much the same as we have described. Cumberland, of which Workington is the headquarters, is exactly like Durham; there is a Joint Committee for "individual cases," wage settlement by arbitration, and a scale which has been changed four times since 1879.

With the exception of the northern counties the most important coalfields are those of South Wales, and here, too, the same picture meets our eyes. A scale was drawn up in 1875, but did not remain in force for any appreciable period. In 1880, however, a scale (since frequently revised) was introduced, which regulates the wages of 60,000 workmen. It starts from the wages of 1879, the lowest point reached for many years. The pay was at once fixed at 10 per cent. above the standard, and shortly afterwards it went up $7\frac{1}{2}$ per cent. more, so that in 1883 it was $17\frac{1}{2}$ per cent. above the standard. From 1883 to 1888 wages were falling, and in the winter of 1887-88 had nearly reached the starting-point. Then a great improvement set in and wages rose $12\frac{1}{2}$ per cent. by the beginning of 1889, when the workmen demanded a change in the existing scale. At first it seemed doubtful whether a peaceful solution would be possible, and there was talk of a court of arbitration in order to avoid a strike, but the difficulties were found not to be so great as had at first been thought. After many conferences between the representatives of both sides, an immediate rise of $7\frac{1}{2}$ per cent. was introduced in March, 1889. On May 1st there was a further increase of $2\frac{1}{2}$ per cent., on September 1st one of 5 per cent., and on October 1st one of $2\frac{1}{2}$ per cent. Meanwhile

the exception of the year 1878), that of Northumberland decreased (except in 1875 and 1879). Between 1874 and 1878, the total output increased 7.68 per cent., while that of Northumberland decreased 14.35 per cent. In 1879, the first scale was introduced in that county. From that time until 1886, the year in which the scale was abandoned, the output for all England only increased 19.55 per cent., while that of Northumberland increased 25.79 per cent,

a new scale was drawn up which was more favourable to the men. This came into force on January 1st, 1890, and wages again rose $7\frac{1}{2}$ per cent. Since November 1st, 1888, they had risen 30 per cent. altogether.

The methods of regulating the conditions of labour in the districts we have mentioned form a marked contrast to those prevailing in the other mining counties, where they are new and in a comparatively early stage. There they have only reached the second period, that of organized strife. The Unions are of quite recent date, and a few years ago formed a "Miners' Federation," which joined in the new "progressive" movement among the miners. This movement embraced Yorkshire, Lancashire, Cheshire, Derbyshire, Nottingham, North Stafford, part of South Stafford, Cannock Chase, Leicestershire, Warwickshire, Somerset, Worcestershire, the Forest of Dean, part of Monmouth, the south-west of Cumberland, Bristol, North Wales, and in Scotland, Stirling and Argyshire. The movement emphasizes the keen interest of labour in all wage questions, it advocates a legal eight hours day, and some further legal regulations to improve the condition of the miners. In March, 1890, the "Miners' Federation of Great Britain," which included the districts enumerated above, asserted that the rise in wages which the workers had secured on the revival of the coal trade was not so great as it should have been in accordance with the system which had hitherto prevailed. They demanded a rise of 10 per cent. as their legitimate share of the present gains; half to be given at once, and half on the 1st of July.

The Federation of Employers of the districts demanded a court of arbitration, and undertook to prove their absolute inability to pay higher wages. The workmen, however, being perfectly sure of their power, would not hear of arbitration, though they consented to negotiate, and on Saturday, March 15th, they struck. The price of coal immediately went up frantically. Contracts for immediate supply could not be carried out. Many Lancashire factories which had not got in a stock of coal, together with steel and iron works in Sheffield, stopped, and their operatives were deprived of the means of subsistence. The railways absolutely

fought for the coals, and one line was accused of having itself used the coal committed to it for transport. All this, however, did not affect the mine-owners, for, as the papers pointed out when the strike was at an end, "they got exorbitant prices for thousands of tons of slack, little better than refuse, which had been accumulating for years past, and which till then nobody would have taken as a gift."

The Owners' Federation gave no heed to the voice of the press, which was becoming more and more emphatic, until it was seen that an increasing number of employers were prepared to take advantage of the crisis by accepting the terms of the men. When the strike had lasted five days, the president of the Employers' association retired into the country in order to re-establish his health, and the men's demands were granted with one modification; the second rise of 5 per cent. was to be postponed from July 1st to August 1st. The *Standard* of March 21st reads the employers a lecture. "If," it says, "they are in a position to pay what the men struck to obtain, they should have averted the strike by timely assent to the demand. As it is, they have incurred all the penalties of defeat, and what is worse, have exposed society at large to the alarms of war. They cannot expect to be taken seriously hereafter when they set up a plea of inability to make concessions. The workmen will retort that they have had experience of the worthlessness of the employers' *non possumus*."

The superior system of negotiation prevalent in South Wales and in Northumberland and Durham enabled the men to gain their point without the strike which was required in the Midland counties. When peace was restored on March 21st, 1890, the delegates of the progressive "Miners' Federation of Great Britain" drew up the following declaration:—"With regard to any future wage questions, we are prepared to arrange that before any public action is taken with respect to notices, the men's case shall be laid before a committee of the colliery owners in each district, or before a committee of the colliery owners' federation, and that the results be made known to the workmen; and further, that we

ask the owners to adopt a similar line of action in the future in respect to any alteration in their workmen's wages."

The Miners' Congress which met in Birmingham in 1889 and 1890 discussed the question of a legal eight hours day for miners. This would mean that the State would enter on a field which had hitherto been left to negotiation between the parties. A Bill to this effect is to be introduced in Parliament, and is expected to have the support of several eminent politicians. It is noteworthy that the three most powerful Unions, those of Northumberland, Durham, and South Wales,¹ do not back this demand. This is not because they wish for a longer day, for the Durham miners only work seven and those of Northumberland from seven to eight hours "from bank to bank." In fact, they are more likely to be afraid of having to work longer hours in consequence of a legal eight hours day. But the fact is, that in these districts they are accustomed to friendly negotiations conducted on a footing of equality. In Scotland, on the other hand, the owners do not recognise the Unions as representing the workmen; and refuse to negotiate with them. The consequence is that the Scottish miners are foremost in advocating State interference, and are among the most violent opponents of the "moderate" majority of the Northumberland and Durham Unions.

¹ [The South Wales miners could not now be described as forming "one of the most powerful unions."]

CHAPTER XIII.

THE GREAT INDUSTRY (*Continued*).

IV.—IRON.

A. MINING AND SMELTING.

TECHNICALLY, it is true, the mining of iron-stone has no connection with the conversion of the same into pig-iron, but commercially, the two processes are closely connected. This is because, except where an exceptionally favourable situation permits of water transport, the English iron-stone is smelted on the spot, and only comes into the market as pig-iron. In many cases the mine-owners are also owners of blast furnaces. In the Cleveland district, for instance, 57 per cent. of the iron-stone extracted is smelted by the mine-owners. Only 43 per cent. is sold, and most of this for furnaces in the neighbourhood.

Iron ore is found in different parts of England: Northamptonshire, Lincolnshire, and Oxfordshire, but the most important county is Yorkshire, more especially the north-eastern portion lying on the sea, which is called the Cleveland district. In the midland counties the ore is frequently extracted by labourers, who have no strong organisations; but in Cleveland we find industrial conditions very similar to those in the coal trade. There are associations of mine and furnace owners, and Unions of iron-stone miners and blast furnacemen. We shall confine our remarks to the first Union, which embraces more than 20,000 members, since all we shall say will apply equally to the others, who are not less numerous. It must further be remembered that the high development of industrial conditions in this trade has been reached in a comparatively short time, for the Cleveland beds of iron-stone were only discovered a few decades ago (about

1850), and there are persons still living who remember the time when the neighbourhood was purely agricultural.

While it takes many years to learn the work of a coal mine, the work of iron mining can be learnt in a year. The miners are, however, largely protected from the influx of agricultural labourers by the scarcity of house accommodation in a thinly-populated district, which compels the employers to build houses for any new workmen. The Trade Union is not old. It was founded on January 13th, 1872, and its rules and regulations show its late origin. The most prominent position is given to peaceful, not to belligerent objects; the support and insurance of members comes first, while legislative designs in the direction of State protection of the workers come next (an instance of that spirit which is now permeating the whole of Europe). Only in the third place comes the defence of the rights of the workmen against the employers.

As early as the next year, *i.e.* about the end of 1873, a "Standing Joint Committee" was established by agreement with the employers; and it has since continued its activities uninterruptedly. Its object, like that of the Joint Committee in the neighbouring coal districts, is the decision of "individual cases." The only difference is that for ordinary cases there is not a president with a casting vote, but the twelve representatives, six from each side, discuss and decide the matter among themselves. It is only when they are unable to agree—which happens in about a third of the cases—that an umpire is chosen, generally a legal man of the neighbourhood.

The committee cannot, by its constitution, make a change in the normal wage, nor yet in the proportion of the wages of the different classes of men. Its function is to deal with a rise or reduction in cases where the payment given for a special kind of work no longer corresponds to the normal wage, in consequence of an alteration in the natural conditions under which the work is carried out. Here the understanding between employers and operatives seems to be such that differences do not come before the Committee so often, as in the coal industry. From its

institution to the end of 1888 it only met 80 times, and dealt with 400 cases. In the seven years from 1874 to 1880, there were altogether 40 meetings; from 1882 to 1888, only 32. One of the chief causes of this reduction of cases is apparently the minute examination of complaints made by the Trade Union before they are submitted to the Standing Committee.

When a workman has a grievance, he must first lay it before his Lodge. If, on investigation, the complaint seems reasonable, the Lodge sends a deputation to the manager of the mine in question. Since the employers are in the habit not only of receiving the deputation, but of discussing matters with them in a friendly and business-like spirit, most difficulties are settled at this point. It is only when this method has failed that the committee of the Branch Union is empowered to communicate with the Central Union, which has its headquarters at Saltburn-by-the-Sea. This must be done by means of a complete written statement of the case; and if the central executive, on careful re-consideration, declares it a suitable case to bring before the Standing Committee, it introduces it, not in the name of the complainant, but in its own name.

In the decision of "general questions," we find again the closest similarity to the methods prevalent in the coal districts. Here as there, such matters are decided not by the Joint Committee, but by larger assemblies of the employers and the representatives of the workmen, who discuss and settle the matter without voting. In the Cleveland district all the firms concerned are, as a general rule, represented in these negotiations. Here, too, the history of the most recent alterations of wages falls into three divisions. During the revival of trade at the beginning of the seventies, wages were raised by negotiation. After 1873, came a period of arbitration, and, since 1879, wages have been fixed on the basis of sliding scales. The transition from the first to the second period is interesting. The Cleveland miners, who are perhaps not intellectually on so high a level as those of Northumberland and Durham, demanded a further increase of wages just at the time when the market was turning, in October,

1873. A strike of several weeks followed, until finally Sir Rupert Kettle was chosen as arbitrator. He refused the men's demands, and even went so far as to say that the only reason why he did not decide for a reduction, was that the masters had not asked for one. It soon became obvious to everyone that trade was declining, and in 1874, when the employers demanded a considerable reduction, the workmen had to learn that a strike could do nothing for them in the face of a falling market. Since this general strike, which lasted six weeks, there has not been one in Cleveland.

Three more courts of arbitration followed, in 1875, 1876, and 1877, ending each time in a reduction of wages. The award was always founded on the fall in the market price of the product. But iron *ore* can hardly be said to have a market price, since it is generally extracted and smelted under the same management. The decision, therefore, had to rest on the price of a crude form of iron, namely pig-iron, as the first form the price of which could be exactly estimated. It was of course recognised that other considerations besides the wages of the miners influenced the cost of production, and therefore the price, of pig-iron, particularly the fluctuating price of coal. Nevertheless, Sir Rupert Kettle assumed that, under normal conditions, $31\frac{1}{2}$ per cent. of the cost of producing pig-iron should be reckoned for the miners' wages, and he gave his award accordingly.

The miners, too, accepted the principle that the price of pig-iron should regulate their wages. The award of 1877 was conspicuous for its recognition of a minimum subsistence wage, and provided that married men earning less than 21s. per week in the mines, or 19s. if working above ground, were not to be included in any further reduction of wages.

Since 1879, the wages of both miners and blast-furnacemen have been governed by a sliding scale. Here, too, it was adopted in the hope of fixing wages for considerable periods, and of preventing the frequent occurrence of "general" disputes. Like the others we have mentioned, the scale was drawn up by agreement between the two parties after previous negotiations; and it

contains a "notice clause," which is, in itself, a recognition that the scale rests upon a contractual agreement subject to revision.

We have already seen that any wage scale must be based on an assumed relation between wages and prices. In the scale for the iron miners it is laid down that the wages which were paid in 1879 before the introduction of the first scale shall be given "when the net average selling price of No. 3 Cleveland pig-iron reaches 34s. per ton." The price of this quality is found to be about the average price of all the qualities. The new scales in this industry are characterised by the very small variations in prices which affect the wages. They oscillate round the standard at the rate of $\frac{1}{100}$ d. per ton for every change of $\frac{9}{100}$ d. in the selling price of pig-iron. Thus if iron sells at 36s. per ton, wages will rise $\frac{1}{4}$ d. per ton above the standard. The actual wage per ton varies greatly, as in the coal trade, according to the difficulty of the work, the thickness of the strata, and so forth. The standard is taken at $9\frac{1}{2}$ d. per ton, and the Standing Committee decides cases on this basis.

The first scale was in force, as had been arranged, from 1879 to 1881, when the miners demanded a more favourable basis for the new scale, namely, a standard price of 32s. instead of 34s. for pig-iron. This would, of course, raise their wages $\frac{1}{4}$ d. per ton. To this, however, the employers would not agree, and it was finally settled that 34s. was to remain the standard price, but that when pig-iron went up to between 40s. and 42s. per ton, "the quotations in wages were to be the same for each variation of $\cdot 48$ d. in price of iron as apply in the other portions of the scale to each variation in price of $\cdot 96$ d. per ton."¹ That is to say, that on a certain portion of the scale the rate of the increase of wages was to be doubled. This second scale, which followed the first immediately, was to be in force from December 31st, 1881, to December 1st, 1883, and it was then extended another year and a half, to June 30th, 1885. The men thought it to their advantage for the scale to terminate in the summer, as they considered themselves in a stronger position for bargaining over the terms at this time of the year, a

¹ Quoted by Munro, "Sliding Scales in the Iron Industry" (*Manchester Statistical Society's Transactions*, 1885-86).

strike being easier in summer than in winter. But it has never come to this, and the scale has been repeatedly extended.

The time-wages of other workmen engaged in the mines follow the fluctuations of the miners' piece-wages. The scales do not tend to equalise wages. In fact, the customary differences between different classes of workers, from foremen to day labourers, are unchanged, and are assumed in the decisions of the Standing Committee. Only the percentages by which the different wages rise and fall are fixed by the scale.

The blast furnacemen follow precisely the same lines as the miners, and they, too, have formed a Union which embraces the whole county. They have had a Standing Committee and wages paid by a scale since 1879. For fourteen months, in 1885 and 1886, there was no scale, as the employers demanded that the former scale should be altered in their favour. The workmen agreed to a 5 per cent. reduction, but said that in that case they would sooner have no scale unless, or until, they could go back to the old one. As a matter of fact the old scale was resumed in 1887. The only alteration was that the smallest change in prices was now to affect wages, as it already did among the miners. Formerly, a change of 1s. in the price altered wages 1.25 per cent. Now, however, if the price only changed $2\frac{4}{10}$ d. the normal wage was increased 0.25 per cent. The final result was the same, since if the price was 35s., *i.e.* 1s. over the "standard," wages would then have risen 1.25 per cent. The workmen, however, wish to pursue the system of decimalisation as far as possible, in order that wages may follow prices as closely as possible.

The terms of employment are settled in a thoroughly amicable manner in this, the most important district of English iron-stone mining. This is the more significant in that the iron-miners are not a class of highly-paid workmen, fairly independent of the fluctuations of the labour market, as are the coal-miners of the Northern counties. On the contrary, the Cleveland miners, as we have indicated, are subject to the influx of competing labour, and their wages have sometimes fallen very low indeed under the provisions of the scale.

A high degree of mutual confidence exists between the masters and the men in this industry. The existing arrangements have been found satisfactory to both sides, and particularly to the employers. The latter, whose businesses are on an enormous scale, and who include in their ranks such men as *Lord Armstrong* and *Sir Benjamin Samuelson*, require above all to be able to reckon, with the certainty which is secured by the present arrangement, upon a supply of labour to fulfil their enormous contracts, and the workmen also desire security of employment in a trade which is particularly dependent on the industrial condition of the country, so that they, too, have an interest in maintaining their employers' power of competition, by arrangements which protect the industry from the crises of wage contests. I was told, *e.g.*, by *Mr. Snow*, the secretary of the blast furnacemen, that the consciousness of their community of interest with the employers is remarkably developed among them.

B. MANUFACTURED IRON.

The manufacture of iron plates, bars, and so forth, is one of England's most important industries. It is pretty much confined to two districts, of which the northern has its centre in Darlington and Middlesbrough in Yorkshire, where the Cleveland pig-iron is worked. The other district covers Staffordshire, and spreads into the neighbouring counties of Derbyshire, Shropshire, and Lancashire, its centre being Birmingham. The position of the workmen has developed in a very similar fashion in the two districts, but we find many points of difference between them and the mining industries we have just examined.

The relations between workmen and employers in the manufactured iron industry—as in the Nottingham weaving trade—were about as bad as can be imagined. The improvement in trade at the beginning of the sixties led to numerous strikes (1862, 1863, 1864, 1865), and in the same way the subsequent reduc-

tions which became inevitable were never forced upon the workmen without a struggle. The employers established a common fund to defray the expenses of these struggles, because, as Sir Benjamin Samuelson says, they might be sure that whenever the market rose they would have to deal with wholly exorbitant demands from the workers.

The market rose in 1869. A continuation of the former state of things, at the moment when the industry was striving to make good previous losses, would have been fatal. It was then that a well-known manufacturer, David Dale, came forward with a proposal not only to negotiate with the representatives of the men concerning their demand for higher wages, but also to establish a Board of Conciliation. This attempt at an amicable settlement of labour troubles was made at a time when the Trade Unions had not yet secured legal and social recognition, which accounts for the special form it assumed. In 1869, a Board of Arbitration and Conciliation was established for the "Manufactured Iron Trade of Northern England" to deal with *all* labour troubles as they rose. Representatives were sent by every foundry to the Board, one chosen by the employers, and one by the workmen—irrespective of the Unions—an arrangement which is still followed. The difference which this constitutes between this board and the institutions mentioned above is not so great as might at first appear, for the representatives of the men sent from each works will be sure to possess the confidence of the Unions, by whom alone the decisions of the Board can be carried out. But since the organisations on either side, the real negotiators, do not officially appear as such, the Board has an illusive resemblance to an assembly of arbitrators, to which it has no claim, for its members are nothing more than party representatives. Moreover, under this arrangement the proportion of workmen represented is smaller than in the trades where the Union conducts the negotiations officially. Not more than 25 per cent. of the ironworkers have a voice in the election of their representatives on the Board. In spite of this, however, its decisions are recognised as binding in wage questions.

We have already said that the decision of *all* questions between employers and workmen was handed over to the Board. But the event showed, here as elsewhere, that the disputes that arise fall into two classes, and require separate treatment. It would be absurd to determine the "individual cases" by a contest; for they only concern the application of fixed rules; but the fixing of these rules themselves is, under the existing organisation of society, a matter to be decided by an economic trial of strength such as buyers and sellers enter upon everywhere; and if the actual conflict is to be avoided, it can only be by a scientific determination beforehand of what its issue would be. It is interesting to trace how this difference was forced on the practice of the Board of Arbitration and Conciliation for the Manufactured Iron Trade. For the first class of questions there was a committee of ten, five employers, and five workmen; and in case the voting was equal they laid the matter before the whole Board, after the model of Mundella's Committee of Inquiry in Nottingham. It was found, however, that here, where it is generally a question of finding out the facts, a few men technically acquainted with details are more competent to act than a larger gathering. In 1883, therefore, a step was taken which practically separated the Committee and the Board into two bodies, giving the Committee power to make final decisions in the class of cases that come before it. For this purpose it has appointed an umpire, who is appealed to if the members cannot agree; but there is no appeal to the board. Thus similarity of requirements led to the establishment of a committee of management like that in the coal industry, though the point of departure was somewhat different.

The procedure is the same. Before a case is laid before the Committee the representatives of the employers and workmen in the works concerned endeavour to settle the question amicably between them. In the larger works there is a fixed time in the week for these conferences. This disposes of most of the cases, and it is only the residue that are put into the hands of the 'employers' or workmen's secretary, for each party elects one of their members to this post, and he attends to current business and

lays questions before the Committee for decision. The Committee conducts an inquiry, collects evidence, and pronounces its decisions precisely as is done among the miners. These controversies are never allowed to become the excuse for a stoppage of work.

But the Committee is not empowered to deal with "general questions." The rule says, "All questions can be settled in this way with the exception of a general rise or fall in wages and the appointment of an arbitrator, and these can be determined by the Board alone,"¹ i.e. by the general assembly of all the representatives of the employers and workmen. If after discussion they cannot come to an understanding, they are enjoined by their rules to choose an arbitrator. This seems like a further step towards the peaceful solution of disputes than has been taken by the industries with which we have hitherto dealt. But this difference does not come to much. For it is open to either party to withdraw from the Board, and thereby from the fulfilment of this injunction; and again, the necessity of naming an arbitrator every time on whom both parties must agree might give fresh occasion for breaking off negotiations. So that here again it depends on the good-will of the two parties whether wage questions shall be submitted to arbitration or not, and the rule at most has the force of a moral obligation. But since the establishment of the Board the most vital wage questions have been decided without a contest, which shows how strongly both parties feel the advantage of such a solution, and that a conciliatory spirit prevails in this industry. Here, too, however, we have at bottom an agreement between two independent parties, and not the authoritative imposition of terms from without. The Board has regulated wages sometimes by negotiation, sometimes by arbitration, and sometimes by reference to scales.

The history of wages during the last twenty years is very similar to that of the miners. During the first two years of the Board's activity, 1869 to 1872, general wage questions were four times decided by arbitration. The frequency of these appeals led to the trial of a sliding scale. This was drawn up by a committee

¹ Quoted by Price, *Industrial Peace*, p. 28.

of the Board, adopted by it and brought into force on March 31st, 1872. It was the first of the modern scales, and, it may well be that the method was first adopted in the iron industry because the employers had already made repeated use of scales for the regulation of wages in the earlier times when the workers were still almost unorganised. They are mentioned in the report of the Trade Union Commission of 1867. But these scales of the earlier date had nothing but their technical arrangement in common with those now under consideration. They depended upon agreements not between the workmen and their employers but merely between the employers among themselves; and moreover while they were current the masters were free to fix their nominal selling price just as they chose, and so had a further engine for arbitrary dealings with the men.¹

The scale of 1872 was the model on which all subsequent scales in the manufactured iron trade were based. It started from the average selling price of all classes of manufactured iron, as established from quarter to quarter by the accountant of the Board, *Mr. Waterhouse*, after an examination of the books of the associated firms. Wages were 2s. 9d. per ton, with an addition of 1s. in wages for every £ in the selling price of a ton, technically described as "2s. 9d. over shillings for pounds."

The first scale was destroyed by the unexpected inflation of the iron trade in 1872. *Mr. Waterhouse's* returns only gave the workmen a rise of 5 per cent. in April, 1872, and one of 7½ per cent. in July; while the employers in the southern districts, where there was no scale, gave their men a rise of 20 per cent. during the same period. The northerners consequently demanded a similar rise, and the employers granted them a rise of 12½ per cent. beyond that given by the scale, which meant practically that they abandoned it.

The award of Sir Rupert Kettle brought about a further rise in the beginning of the following year. At the same time further negotiations were set on foot, with a view to drawing up a new scale of wages. These negotiations were not confined to the

¹ Brentano; *Arbeitengilden*, etc., vol. ii., p. 214.

northern districts, since representatives from Staffordshire also took part. They ended in the adoption of the "Derby scale," so called because the negotiations took place in Derby. From July, 1874, to July, 1875, this scale was in force in both districts, *i.e.* among most of the workmen engaged in the manufactured iron trade. There was, however, one difference in method. In the North the average price was calculated from the books of all the firms, in the Midlands from those only of a fixed number. The Northern employers thought that they suffered by this arrangement, and after using the scale for a year they gave notice to determine it, in July, 1875. Another reason was that in the North iron rails were still the chief product, while in the Midlands they were already engaged in producing more expensive wares—bars, plates, and angles—whereby, as the average price was taken, wages in the North had been disproportionately raised. In fact, the first adjustment of wages under the scale gave a rise of 3d. per ton in the North at a time when the market was falling. Although the Derby scale was so soon abandoned, a feeling has remained in favour of regulating wages uniformly throughout the whole industry. In all arbitrations account is taken of the wages paid in other districts.

When the scale was abandoned there were a series of arbitrations. Hitherto a single arbitrator had been chosen, but now a method frequently adopted in the coal trade was tried. Either party chose an arbitrator, and if they could not come to an agreement they laid the matter before an umpire. But the men said that the plan worked badly for them. This referred to the arbitration at the beginning of 1876 of Messrs. Williams & Mundella, for the iron industry of Northern England.

The peculiarity of the award of these gentlemen was that the reduction in wages they decreed was based not upon a fall in the selling price but on a shrinkage of demand. This was, however, avowedly a temporary measure, which the arbitrators hoped would put an end to the depression in the iron trade, increase the demand and therefore employment. It was not to be regarded as estab-

lishing a fixed ratio between wages and prices. The workmen were the more discontented with this award because the result contemplated did not ensue. Nevertheless, they scrupulously adhered to it. In eighteen months their wages sank 42 per cent. The moral power of such an arrangement is seen by the fact of the workmen's patiently submitting to such a reduction. In earlier days embittered struggles would have finally destroyed an already hard-pressed industry.

In the years 1875-1880 there were altogether no less than five arbitration courts, which based their awards primarily, if not exclusively, on the market price of iron, which was still published quarterly by Mr. Waterhouse, under the instructions of the Board, even after the scale had been abandoned. During this period of declining trade, the workmen frequently elected David Dale as their arbitrator, for he possesses their confidence in a remarkable degree, employer though he is. *Mr. Trow*, the Trade Union leader and eloquent representative of the workmen at the courts of arbitration, expressed his views on this point as follows:—"No employer can have more confidence in Mr. Dale than we have, both as regards capacity, uprightness, impartiality, and honour. I would be ready to submit any question which concerns myself, however weighty it might be, to Mr. Dale."

Through the exertions of Mr. Dale a scale was introduced in 1880, the "Dale scale," which lasted till 1882, when it too fell before a sudden inflation of trade. The workmen gave notice to determine it, on the ground that it did not give them their share in the increased profits rapidly enough. It was renewed in 1883 under the "Durham Arrangement," in connection with which it is interesting to note that at the instance of the men the working time was limited to ten shifts per week, in order to restrict production. But the removed Dale scale did not last long. There were five more arbitrations between 1884 and 1888, in which Dr. Spence Watson gave the award. This frequent appeal to a third party, however, was far from carrying out the fundamental object of the Board, which was conciliation, demanding concessions on either

side. Sir Rupert Kettle uttered a warning against driving the bargain to the uttermost farthing as early as 1873. The experienced arbitrator, Spence Watson, looked upon such a course as a peril to the very existence of Boards of Conciliation. In his award of Nov., 1888, he most strongly advocated the adoption of an "automatic adjustment of future wages by means of a sliding scale," which would be far superior to frequent recourse to arbitration, as it obviates friction, gives security to employer and workmen, and stability to trade and labour.

Shortly afterwards the representatives of both parties met with a view to drawing up a scale. If difficulties arose during the negotiations, they were to be submitted to Dr. Spence Watson. His services, however, were not required, and, in spite of some differences of opinion, a new scale was agreed upon, and introduced in July, 1889. It was to hold for two years, and it may not inaptly be styled the Watson scale, after its spiritual parent.

After what has been said above, it will hardly be necessary to make a similar survey of the history of the wage movement in Staffordshire. There too we find a motley alternation of arbitrations with the establishment of sliding scales; and there too negotiations for a new scale are now in progress, or have, probably, resulted in its establishment.

When we reflect that for twenty years there has been no general strike¹ in so important an industry as the manufacture of iron, and that, too, though it does not employ highly skilled labour, but a large number of very different classes of labourers, whose work is, perhaps, the hardest which any man undertakes of his own free will, we see what a wide field the peaceful treatment of the relations between workmen and employers already covers. All competent observers acknowledge that this was the reason why the English iron trade recovered from the extraordinarily

¹ On December 31st, 1881, there was an extensive, but not general, strike in Yorkshire, on the occasion of the abandonment of the Dale scale.

severe crisis of 1875-79 with comparative rapidity. The workers, by submitting without resistance to the trenchant reductions in wages decreed by Williams and Mundella in 1876 and by David Dale in 1878, helped the employers to tide over a situation which would have been full of danger if a strike had broken out. David Dale summed up the significance of the Board of Conciliation in the manufactured iron trade in the following words: "If we had failed, not only would our great industry have gone back to the industrial wars which had hitherto wasted the resources of the district, but the adoption of the conciliation and arbitration system by other industries would have been indefinitely postponed."¹

C. SLIDING SCALES.

This would seem to be the place for a closer investigation of the sliding scales, since we have seen that it is in the manufactured iron trade that they have existed longest, and first assumed the modern form which corresponds to the relations of perfect equality between the parties concerned in production.²

The older scales, which were as a matter of fact confined to the Staffordshire trade, were attacked by the Trade Unions, for being, as they actually were, weapons directed against them by the counter combinations of the employers. The latter having agreed to resist the demands of the men by a common regulation of their wages, the adoption of a uniform scale seemed a simple and unobtrusive method of making wages follow the balance of power.

¹ See Presentation to David Dale, p. 7 (Darlington, 1881). From the same source we learn that the expenses of the board come to '6048d. (i.e. about $\frac{1}{2}$ d.) per ton of iron, which is equally divided between employers and workmen.

² It seems that matters have followed a similar course in America, where scales have long been in use in the iron industry. Cf. J. D. Week's *Industrial Conciliation and Arbitration in New York, Ohio, and Pennsylvania* (Boston: Rand, Avery & Co.).

They had not to discuss wages at all their meetings, but only to decide on "selling prices." The chief objections of the men to the scales, therefore, were as follows:—

In the first place, they would not acknowledge a constant relation between wages and prices. They accused the scale of paying no attention to important factors which influence wages. For instance, it frequently happened that while the selling price remained unchanged other circumstances occurred which would justify an alteration in wages, *e.g.* an increase in consumption, which would raise profits without altering prices. And in certain cases, when not only prices but profits remained unaltered, a rise might still be demanded; for instance if the labour market was relieved through wholesale emigration or the like. The employers replied that it was "the custom of the trade" to pay the men 1s. per pound sterling of the price of a ton of iron. The men resisted this, and in 1863 struck, and got "1s. over shillings for pounds."

The men further asserted that besides the whole basis of the scale being arbitrary, the employers had the rise and fall about the normal wage in their own hands; for when, at their quarterly meetings, they fixed the future price of iron, it was not really the price at which they would sell, but the price by which they would regulate wages. In fact, the employers themselves admitted before the Trade Union Commission that they were in no way bound by the published prices, but looked upon them simply as a convenient way of regulating wages. The scale, therefore, was in reality nothing but a system under which wages were fixed by the employers alone.

Finally, the workmen declared against fluctuations in wages altogether, and said that they would rather have their wages lower and regular than higher and irregular. So, for instance, the secretary of the ironworkers singled out the workmen in a certain district where there was no scale as all the better off, because their wages did not rise and fall. The employers replied that these fluctuations in wages were inevitable, since wages con-

stituted from 80 per cent. to 85 per cent. of the cost of production in the iron trade.

As we have already said, a revolution has come over the workmen's views with regard to sliding scales; coinciding with their adoption over a very wide field of industry and by important sections of the working classes. They have been adopted not only in the very important iron industry of the North, and as Mr. Dale tells me, by a section of the steel industry (the Consett Company and Palmer's Ship-building and Iron Company), but have further found wide acceptance in mining. The opinion of Mr. Burt, already referred to, shows that the men are no longer inimical to the principle of the scales.¹

This is because the character of the scales has altered, and the three objections cited above have ceased to be applicable.

The first objection applies to characteristics of the old scales, not to scales as such. The normal wage, which is taken as a starting-point, is not final, but can if necessary be chanced by agreement, though as we have said on p. 202, it is of course an essential condition of a modern scale, based as it is on the acknowledgment of the equal rights of both sides, that there should be a fixed period during which the arrangements are to hold, or a term of notice for putting an end to them. It thus ceases to be a law sanctioned by "the customs of the trade," which cannot be touched, and becomes an agreement made between the two parties in consideration of the actual state of trade; such circumstances as an increase of profits because of greater consumption, redundancy or scarcity in the labour market, and so forth, and dealt with simply by adapting the basis of the scale to the altered state of things.

The very custom of establishing wages by an agreement has led to the extension of the scales. For such an agreement has always had an element of risk in it, since the possibility of a contest is always in the background. Hence the desire to give it binding force for a definite period. This is particularly the case

¹ [A great reaction has since taken place, and seven-eighths of the miners now oppose the sliding scales.]

when the terms of the agreement have been fixed by arbitration, for it is impossible to put machinery which costs so much time and money into operation every month. Consequently, when some one, at least, of the important factors which justifies the parties in demanding a change in wages can be ascertained by calculation, wages are made to follow this factor, and so contests which would arise from its changes, are averted. In such industries wage questions can be shelved for a certain limited period.

The possibility opened to the employers of fixing a price with a view to regulating wages by it, can be met by ascertaining the real selling price through an independent authority.

As for the last objection to the scale, that fluctuations in wages are, in themselves, unfavourable to the worker; it does not appear to have been particularly valid even at the time it was made. A witness from Wales states that there, where there is no scale, wages changed 30 per cent. during ten or twelve years. They did not, indeed, vary so often or so much as under the scale, but on the whole they followed the price of iron. But in truth, it seems very doubtful whether a continuous change is not more favourable to the interests of the workmen than a sudden and abrupt one. This, at any rate, is the opinion of those English working men who, in the iron mines, for instance, demanded that even the smallest change in prices should influence wages.

Moreover, the dislike of the working men to wage fluctuations has, in many circles, disappeared. Nor is the position of the cotton operatives, who calculate the profits of the undertaker most carefully, and base their demands on these calculations, in any way different from that of operatives working under a scale. In fact, steady wages would only seem possible where there is some sort of monopoly price, as in the printing and shipbuilding trades. Where the workmen are compelled to participate in the losses of industry, whether by a reduction of wages or, as happens more frequently, by dismissal, they have also learned how to get a share of the profits. A condition essential to this, however, is an accurate knowledge of the state of trade at the time. I have frequently heard English workmen say, that in good years

they must indemnify themselves and their Union, and prepare for bad times. Mill and Thornton looked upon this as the beginning of a system of profit-sharing.

Besides, as Giffen has established, English industry is carried on more and more on borrowed capital or by joint-stock companies. In such cases it is particularly needful for a certain minimum profit to be secured by submitting to reductions in wages, lest capital should be withdrawn from the business. But this implies, on the other hand, the workmen's participation in increased profits. In fact the operatives may be regarded as insuring the interest on the capital, and demanding a part of the profits as the premium.

The present scales then are very different from those described in the report of the Commission of 1867. But the most important difference is that nowadays they, like every other settlement of wages, rest on an agreement between parties who meet on an equal footing alike as to right and might. The enthusiastic anticipations of not a few English economists as to the "automatic adjustment of wages" must, therefore, be rejected, as based on a misconception of the real nature of a scale. Professor Munro, for instance, in his *Sliding Scales in the Iron Industry*,¹ describes them as "the greatest discovery in the distribution of wealth since Ricardo's enunciation of the Law of Rent." But wages are not fixed, under a sliding scale, by a "natural" measure to be mathematically ascertained. Here as everywhere, the ultimate foundations are laid in an agreement, decided by the power which lies behind the parties; and after the expiration of a short time the terms of the agreement will always be subject to revision.

To begin with, the most important point of all, *viz.* what are to be taken as the normal wage and the normal price, is determined by considerations which lie entirely outside the scale itself. On this determination directly depends the height of all wages paid under the scale, and round it the controversy centres when a scale is being drawn up. A change in either the standard wage or the standard price alters the situation in favour of one

¹ A Paper read before the Manchester Statistical Society. *Transactions* 1885, 1886, see in particular p. 26.

party or the other. Thus it is obvious that there are two ways in which an alteration of standard in favour of the men, for instance, may be expressed. The normal wage may be raised, or the normal price lowered, while the opposite holds for the employer. It depends upon the character of the industry which of these modes of expression will be adopted.

We have seen that in mining the wages paid at any given time vary to an extraordinary extent in the different mines, or even different "flats." Consequently, they are not recited in the scale at all; it only gives a percentage of rise and fall on a standard wage (indicated but not set forth), and it is only by raising or lowering the norm of the *selling price* that the basis of the scale is altered in favour of employers or workmen. For instance, the standard price of Durham coal was "4s. 2d. and under 4s. 6d." in 1879, and was reduced in 1882 to "3s. 10d. and under 4s.," which meant better wages for the men, since they were paid the same wages at lower prices.

In the manufactured iron trade, on the other hand, there is not this varying wage for the same kind of work; but each branch has its regular wage,—so much for rolling the iron, so much for shearing it, etc., because fluctuating natural conditions do not intervene to make the work easier or harder. Consequently it is easy to express the standard wage in full in the scale, and the question of a rise or reduction takes the form of a dispute as to what the *standard wage* is to be. Thus the Dale scale of 1879 fixed the basis at "one shilling and sixpence (1s. 6d.) above shillings for pounds," i.e. a varying element of 1s. for £1 in the selling price, and a fixed element of 1s. 6d. The present scale is on the basis of 2s. above shillings for pounds, i.e. a sliding element of 1s. and a fixed element of 2s., a marked improvement corresponding to the improvement in the iron trade.¹

We have seen, then, that the wages paid under a scale ultimately depend upon a point of departure fixed by agreement. It is this which determines how large a share of the proceeds the men are

¹ The difference between the two kinds of scale may be seen clearly by a

to receive. It is dominated by historical rather than by abstract considerations, as shown by the custom of starting from a wage which actually prevailed at some particular time, and which is looked upon as normal by both parties. Not infrequently the conditions which prevailed immediately before the adoption of the scale are taken, but recourse is often had to an earlier standard of wages; for instance, in the coal industry, that prevalent in the year 1871. On the other hand David Dale, who has had an experience in drawing up scales which is equalled by few, considers it comparison of the following Durham scale and the Dale scale, which simply says, "One shilling and sixpence above shillings for pounds."

"Agreement of June 12th, 1884, between the Mine Owners and the Miners of Durham."

When the Net Selling Price of Coal		There shall be made the following Percentage of Additions to or Deductions from the Standard Tonnage Rates and Datal Wages, being those prevailing at November, 1870.	
Reaches.	But does not Reach.	Additions.	Deductions.
S. D.	S. D.	None.	None.
3 10	4 0	1½	.....
4 0	4 2	2½	.....
4 2	4 4	3½	.....
4 4	4 6	5	.....
4 6	4 8	6½	.....
4 8	4 10	7½	.....
4 10	5 0	8½	.....
5 0	5 2	10	.....
5 2	5 4	11½	.....
5 4	5 6	12½	.....
5 6	5 8	13½	.....
5 8	5 10	16½	.....
5 10	6 0	18½	.....
6 0	6 2	20	.....
6 2	6 4	21½	.....
6 4	6 6	22½	.....
6 6	6 8		
And so on upwards, 1½ per cent. for each 2d.; the 2½ per cent. variations for the two ranges of 2d. each in price between 5s. 10d. and 6s. 2d., being limited to those special ranges—			
S. D.	S. D.		
3 8	3 10	.....	1½
3 6	3 8	.....	2½
And so on downwards.			

more suitable to reckon the average wage over a long period, whereby the influence of transitory elements is eliminated, and then raise it by a small percentage (2 per cent. to 5 per cent.), and make it the basis of the scale. This percentage is not too high a price for the masters to pay for the advantages accruing from the scale.

The sliding scale is further distinguished from an "automatic determination of wages" in that the second factor, the proportion in which wages vary with prices, is also fixed by agreement, and cannot be made permanent for the future by anything that has happened in the past. This proportion is generally shown by percentages; *e.g.*, in the Durham scale we find that for every change of 2d. in prices, wages rise or fall $1\frac{1}{4}$ per cent. The higher the percentage is, the more important becomes the consequent change in wages.

But since the economic position of the worker demands a certain steadiness of income, certain interesting attempts at graduated scales have been made.¹ The introduction of a minimum wage, *i.e.* a stipulation that wages are not to fall below a certain minimum, belongs to the same movement. Of course a stipulation of this kind, which is found in many scales, is not accepted by the employers without some set-off. This may be secured by a suitable modification of the standard. But a more equitable method of compensating for a minimum wage would seem to be some arrangement by which wages rise more slowly after the selling price has reached a certain point. This is the principle followed in the "Ocean Scale," which stipulates that wages are not to fall below a certain minimum, and that they shall rise at the rate of $2\frac{1}{2}$ per cent. for every increase of $4\frac{1}{2}$ d. in the selling price up to the standard, after which they are only to rise at the rate of $1\frac{1}{2}$ per cent. This system of graduation would seem to offer the most satisfactory off-set against the minimum wage, since the workman can dispense with extra high wages if he is protected from abnormally low ones. On the other hand, where there is no minimum, a counter system of graduation seems preferable, making wages rise

¹ Crawford Munro, "Sliding Scales in the Coal Industry," read before the British Association in 1885.

less rapidly at the lower end of the scale than at the upper. This is done in Durham, and to a certain extent in Northumberland.

The workers, however, must beware of pushing the principle of the minimum too far. They require, as we have shown, some share in the periodic prosperity of industry to strengthen themselves and their organisations against periodic depressions. Now, seeing that they are compelled to bear their share in losses whether they have a minimum fixed or not, since the employer is always free to stop business or dismiss his workmen, any premium they pay to the employer for the sake of securing a minimum is apt to be sacrificed without return.

If the sliding scale is not an "automatic," neither is it a "permanent" settlement of wages. It is based on the assumption that profits and selling prices stand in a fixed relation to each other, and this is not true, even approximately, for more than a limited time. There will always be circumstances which, without altering the level of prices, will exercise great influence on profits,—expansion of the markets, fall in the rate of interest, and so forth. In the second place, circumstances may occur which justify a change in the proportion of wages to profits, even if the latter remain unchanged. Mr. (now Sir) *J. W. Pease* said, in his award at Middlesbrough, in April, 1882, "It was urged before me with considerable force by the operatives, that the sliding scale just suspended had not given satisfaction, as it dealt with the question of the value of their labour as if it always bore a certain fixed relative position to the price of iron; that contingencies in trade did arise, and that they had now arisen, when labour, being scarce in the market, was dearer, and should be purchased at a higher relative price. They also averred that the employers . . . had at times taken advantage of the state of that market to reduce the price of labour when it was redundant, without having that regard to the price of the article produced which is involved in adhering for guidance entirely to a sliding scale."

In such cases as this, the assumptions on which the scale rests have ceased to correspond to the actual balance of power, and must be readjusted to it. For this reason a "notice clause"

is introduced into every scale, and so far as I know, they are hardly ever made binding for more than two years. The scales in operation for the time being, are determined by notice from one of the parties whenever a depression or recovery brings about a marked alteration in the conditions of trade.¹ Even as I write [in 1890], the scale in use in the iron industry is being re-adjusted, in view of a prospective improvement in trade. In the collieries, however, this prospect was later in appearing, and the present [1890] scale is under notice of determination. A new adjustment has so far only been completed in South Wales.

We have been engaged in the foregoing pages in pointing out errors from which the English economists might have been saved by a study of Brentano's *Arbeitergilden der Gegenwart*. Against them we must emphasize the fact that *when wages are regulated by means of a scale, they still rest upon an act of agreement, and that, consequently, the organisation of both parties is pre-supposed by the modern scales*. The associations of either side, which form the contracting parties in the establishment of a scale, are the only bodies capable of guaranteeing that the conditions shall be carried out and the "notice clause" obeyed. The organisation of both sides is also involved in two other conditions, which are essential if the scales are to be more than a mere cloak for the dictation of the terms of employment by one party alone.

(a) The scales require the existence of a single acknowledged wage system for the whole trade, or at least the whole district affected; to serve as the basis of the increase or decrease by percentages. But a wage system of this kind cannot be maintained without some body of the nature of a Standing Joint Committee. If the employers were free to make any local reductions in wages they thought fit, a general regulation by means of scales would be impossible.

(b) The same result would follow if the employers were free to declare any selling price that they wished. The scales, therefore, require that prices shall be ascertained by an independent ex-

¹ See Mr. M'Alpine's evidence before the Labour Commission, Group A., Q. 6180: "All sliding scales want revision at certain periods, and then 'comes the crucial point.'"

amination of the facts. This can only be done by the two sides nominating professional accountants to ascertain the actual selling price at stated intervals, say every three months, in accordance with the method often adopted by courts of arbitration. But since the individual employers compete with each other, it would not do to let their selling prices leak out. Accordingly the accountants are sworn to secrecy, and only publish the average selling price. Of course, owing to outstanding contracts and so forth, the prices quoted in the newspapers are always different from the actual prices on which wages are based, inasmuch as the latter only follow the former slowly. Hence it often enough happens that the workmen are bitterly disappointed by the accountants fixing the price much lower than the newspaper quotations had led them to expect. On the other hand, when there is a sudden fall the prices actually decreed are more favourable to the workers than the quotations would be. But though the result of the examination is not unfrequently an unpleasant surprise, it is always loyally accepted.

When Mr. Waterhouse's examination of the books in May, 1880, did not give the rise that had been confidently expected, great dissatisfaction prevailed in labour circles, and he took the opportunity of explaining to the Board his methods of calculation.¹ Since iron is sold in different ways at different places, there are great difficulties in the way of ascertaining the real selling price. In London freight is paid extra, while at Darlington iron is sold "free on board at Middlesborough," *i.e.* the cost of carrying it to the ship or railway is included in the price. It is therefore necessary, in order to ascertain the net price, to examine each invoice separately, and to make the necessary allowances for freight when it is included.

Moreover the goods are sold sometimes for cash, sometimes on credit, and in the latter case the discount must be subtracted from the nominal selling price in order to ascertain the net price. In the same way when the iron is sold for bills, the cost of discounting these bills must be taken into account.

Mr. Waterhouse's Explanation. (Darlington, 1880.)

Again, some firms allow the agents who negotiate their sales a commission of about 1 per cent. on the selling price, and this too, says Mr. Waterhouse, must be subtracted in order to ascertain the real price.

He therefore proceeds as follows :—Every firm in the Board has a book which it is required to fill up, showing the contract price and the various charges on each invoice. In the first column of each page is shown the quantity of the iron and the amount of the invoice. The second column is for freight, and states where the iron is delivered and the cost of such delivery. The following column states whether it was a credit transaction, and in that case, whether it is calculated for discount on bills. In the last column the commission on each particular invoice is entered.

Each firm is requested to make their entries once a month, and to balance quarterly. At the end of each quarter Mr. Waterhouse sends each firm a printed form, in which, under the headings " Rails," " Bars," " Plates," etc., they are to enter the total tonnage and net selling price (*i.e.* the selling price after all the aforesaid reductions) of the iron sold by them each month. These returns are to be filled up and sent to Mr. Waterhouse in London during the first ten days of the new quarter.

When the returns are nearly completed, Mr. Waterhouse goes to audit the accounts on the spot. He visits each firm and checks their returns by their own books. First of all he goes most carefully into the items of deduction, to ascertain whether the deductions from the gross price are estimated correctly or not. In doing this he looks upon himself as the representative of the workmen, while as a practical man he considers the employers may be trusted to make all the deductions to which they consider themselves entitled.

For this purpose the freight books are examined. He then calculates, in a number of cases, the amount of freight and discount upon particular invoices. If the deductions are out of the common, or unusually high, the contract book of the firm is examined, the details of the contract are investigated, and the amounts calculated for freight, discount, etc., are criticised accordingly.

The total weight sold is no more taken on trust than are the reductions made to ascertain the selling price, for since the books from which the accountants' reports are made are specially designed with a view to the settlement of wages, the employers might enter a larger number of tons than they had really sold, and thereby reduce wages. The books prepared for the Board are therefore compared with the ordinary books of the firm, the accuracy of which is secured by the regular way they are kept. Mr. Waterhouse testifies to the obliging manner in which the firms, being sure of his discretion, allow him to examine any books he may wish.

When Mr. Waterhouse has satisfied himself that the figures submitted to him are correct, he returns to London. There he calculates the average net price of all the firms, according to which the rate of wages is reckoned. To avoid mistakes the calculations are made independently by two clerks, who have to see that their results tally. The task is completed about ten days from the time when the full returns are received, and the same evening Mr. Waterhouse sends a copy to the secretaries of the workmen and the employers and to two newspapers, so that these gentlemen have already received it on the morning in which it appears in the papers: and thus the wages the workmen may expect during the quarter are settled.

As concerns the working of the scales, it is clear, to begin with, that they are extremely advantageous to the employers. They give steadiness to the trade, and secure it from labour troubles for a certain fixed period. They make it possible to take on long contracts, and induce a feeling of security, the value of which will be appreciated by any manufacturer who has learnt the dangers of strikes. The advantages of a scale are so palpable that the employers declare themselves ready to pay for them by a definite increase in wages. The workmen say that the scale is worth 5 per cent. to their employers.

The advantages to the workmen are less obvious. In fact, many of them think the scales lead the employers to underbid each other by decreasing prices, inasmuch as they thereby lower wages at the same time. But the fear is without foundation, for they for-

get that the employers compete with each other, and that any one of them who lowers his price will not equally lower his own wages bill, since any change his action will make in the rate of wages will be spread over the whole industry.

On the other hand, the scales offer the following advantages to the workmen. They give greater steadiness to wages, although at first sight their action would seem to be exactly the opposite. Without a scale wages follow the fancy newspaper prices, which go to the extremes on either side, instead of the actual prices, which vary much less. And as a fact scales have never been abandoned because they allowed of too violent fluctuations, but always because they did not follow alterations in the market fast enough and completely enough. Besides this they give steadiness to industry, and so lessen the chance of the abruptest change of all, that from employment to lack of work.

Sir Joseph Pease, in his award at Middlesborough in November, 1882, describes these effects in the following words¹:—"It gives the capitalist an undoubted advantage in his competition in the markets of the world, which is also of essential service to the operative, whilst it secures to the operative that increased pay for his labour, which naturally follows the increased demand for, and consequent profit upon, the article which his labour produces; and in times of depression its tendency must be to enable the capitalist to keep his works going, and his hands employed until brighter times dawn again upon them."

D. THE FURTHER MANUFACTURE OF IRON.

A survey of the various trades engaged in working up iron establishes the rule that the relations between employer and workmen are satisfactory and friendly just in proportion as the organisation of the men has advanced. Here, as elsewhere, it was the greatest employers, such as the firm of Armstrong & Co., who were most tardy in recognising the workmen's combinations. The organisation of the workers is of course affected by the state of trade, for if a trade is persistently declining, the associations

¹ P. 11, of the *Report of the Arbitration proceedings.*

of both sides will suffer ; but apart from this the strength of Union is dependent on two other considerations. In the first place, the labour must be skilled and secured against the influx of unskilled or female or child labour. Mere day labourers always have great difficulty in organising themselves effectively. In the second place, it is only where the work is of a uniform character and allows the conditions of labour to be established uniformly for the whole industry that the Trade Unions are in a position to make agreements with the counter associations of the masters for the regulation of wages.

If none of these conditions are present, as in the case, for instance, in the Sheffield cutlery trade, the organisations are weak. In many branches there is no protection against the influx of unskilled labour, and what is still worse, a standard rate of wages is impossible. Each employer makes his own special goods ; the patterns, which are not infrequently kept secret, are often altered, and there are continual changes in the quality of the product, so that wages have to be fixed separately for almost every kind of work. Consequently, the Trade Unions cannot undertake the regulation of wages, and have to leave it to the workmen in each case. It follows that the old ascendancy of the masters remains ; they draw up the lists for their own advantage, and abandon them when it suits them so to do. One of these gentlemen told me that his firm has very old lists ; the oldest is dated 1817, but that they very seldom pay the wages decreed by them. Since the Union is thus deprived of its chief function, it only embraces a small fraction of the workers, and enjoys no prestige among the rest. Local disputes and strikes are not infrequent, and the position of the workers is by no means satisfactory.

It is, however, noteworthy that even here some attempt has been made towards an amicable adjustment of the relations between employers and workmen. It is the general practice for the employers to listen to the complaints of their workpeople, to receive deputations, and so forth. In fact in 1888 the Sheffield Trade Unions suggested to the Chamber of Commerce that the frequent collisions and consequent heavy losses might be diminished by the

establishment of a Joint Committee. But the employers, not without reason, entirely rejected the proposal as impracticable. What foundation was there indeed on which a Joint Committee could base its decisions, when a different wage was paid for every kind of work, and there was no general standard in existence? And who was to carry out its decisions when any employer could call in non-Union men whenever he chose?

With the exception just dealt with, the industries engaged in the further manufacture of iron possess strong labour organisations. Take for instance the *Society of Iron Founders*, established in 1809, and embracing at the present day about 15,000 members. The amicable adjustment of "individual cases" is practically secured by the rules of the Union. Every workman who considers himself unfairly treated, thinking for instance that he has not been properly paid, must first go to his employer, a regulation which shows how universally English employers give a hearing to the complaints of their workpeople. If he cannot secure redress in this way he must go to the president of his Branch Union. The attitude assumed by the Union in the matter depends on the decision of the general meeting, in which the complainant may not vote. If it considers the complaint well founded, the Union sends a deputation to the employer. But even if this step is ineffectual the man still continues quietly at work and submits the case to the central committee sitting in London, which usually sends down a commission of inquiry, to investigate the complaint on the spot. It is only when they have decided that the complaint is well founded that the central committee orders a local strike, which it can terminate, if it sees fit, without the workmen concerned having any voice in the matter.

In general questions, such as a rise or fall in wages, it is the rule to negotiate with the employers. And here we see again how the growing knowledge of the state of trade on the part of the men prevents excessive demands, and thereby helps towards the concession of such as are reasonable without a previous wage contest. In this spirit we find it said in the preface to the rules of the Union, "Trade disturbances and disputes we all deplore, and as much as

possible avoid. It becomes us to study carefully the causes of disquiet—to trace them to their foundation, and try by every means in our power to settle them amicably.” (Rules, p. vi.) The state of trade is carefully traced in the monthly and yearly reports, and the inferences affecting the workmen are estimated. Thus *Mr. Woods*, the late secretary of the Union, writes to the Branch Unions, some years ago, that the general outlook leads to the unpleasant conclusion that trade is depressed. They must therefore meet the inevitable not only by frugality, but by avoiding every occasion of conflict.

Amongst the iron manufactures machinery takes the first place. The men engaged in this industry form the “*Amalgamated Society of Engineers*.” The number of its members has steadily increased, and in March, 1890, had reached 62,116. Its balance in hand varies from £100,000 to £250,000. So prominent a position closely identifies its interests with those of the general industry of the nation. Any depression throws a heavy burden upon it in the shape of unemployed members. In the year 1879, the period of deepest depression, the Union spent £149,931 under this head only.

It is therefore certain that it will strive to avoid anything which could injure the manufacture of machinery in England in its competition with foreign countries. The employers have an association with offices in London and Manchester, which does not, however, include all the firms in the engineering trades. Labour difficulties are met by negotiation. Strikes are rare. Thus in 1885 only £13,500 of a total expenditure of £200,000 was spent on strikes, and a large portion of this sum went in support of the demands of other Unions.

Disputes in what we have designated as “individual cases,” are almost always settled amicably between the employers and workmen concerned, without recourse to any external authority. The manner in which such cases are disposed of in the engineering works of *Samuel Brooks*, in Manchester (which employs 1,600 men), may serve as an example. The firm is known and respected both in England and on the Continent, and is engaged chiefly in the manufacture of the machinery used in cotton spinning and weaving. In.

this establishment one of the heads of the firm is deputed to deal with any difficulties which may arise. The foreman under whom the complainant works calls this gentleman's attention to the alleged grievance, and if the case is not settled forthwith, or after conference with the man, the operatives choose a deputation, which generally consists of the officers of the Union. The case is discussed with them and settled by the good feeling of either side. The firms but seldom, and only in extreme cases, negotiate with the Engineers' Union, or the other Unions to which their employees belong. Nor does the Union often interfere in such cases, for all its members are supposed to be such capable workmen that they could find employment elsewhere if they considered themselves badly treated.

The regulation of general questions, *i.e.* of the future terms of employment, is complicated by the fact that a universal settlement is exceedingly difficult, owing to the complex character of the work. These questions between workman and employer must therefore be dealt with by smaller bodies. The Trade Union, as a whole, does not negotiate with the Association of Employers.

This will explain the resistance which the Amalgamated Engineers have offered to the introduction and spread of piecework. As long as time-wages prevailed they were capable of a universal settlement, but piece work, which cannot be reduced to lists because of its diversity and variability, affords the employers opportunities for settling wages on their own initiative. In the year 1875, there was a strike in the ironworks of Erith, in Kent, against the spread of piecework, and the matter was made one of principle. Like other struggles against the natural course of things, it was ineffectual. The Union still ignores piecewages, and requires its members to earn a minimum weekly wage (30s. to 32s.), whether paid by piece or time.¹ It organised a fresh strike partly against piecework, in the Maxim-Nordenfelt works (at Erith and Crayford) at the end of 1889. The solution may be looked for in the introduction of lists. In Manchester, for instance, an arrangement of this sort has been made between the employers and workmen as regards work done in overtime.

¹ [This, since the delegates' meeting of 1892, is no longer accurate.]

There has been no general strike of the Engineers since 1852. And even local strikes are extremely rare. Advantage has been taken of the late improvement in trade to make good the reduction in wages at the end of the seventies and the beginning of the eighties. This movement was carried out all over the United Kingdom by negotiation, agreement, and arbitration. Thus at Bolton, in 1888, the question was referred to the arbitration of *Mr. Samuel Pope*. The award was given in favour of the employers, but nevertheless they agreed a few months later to surrender the advantage they had thus gained. The establishment of a Board of Conciliation was foremost among the demands put forward by the engineers in the strike in the North of England in March, 1890.

On the other hand, Professor Brentano, in March, 1890, found the general secretary of the Amalgamated Engineers just as much opposed to the universal introduction of arbitration into his trade as the former general secretary had been twenty years before. The reasons given were identical. "We are strong enough to do without it. We don't want it." But this does not in any way imply that they prefer strikes to arbitration, only they are chary of calling in someone who has no technical knowledge, and they think they will do better by direct negotiations supported by a thorough knowledge of the trade. This consciousness of their own strength is the reason why Burns, and a few other Socialists who belong to this Union, meet with small sympathy in it. In the Union's report of April, 1888, they say, with regard to the agitation for a legal limitation of the hours of labour, that they are opposed to State interference with adult male labour.¹

Trade relations have developed in a particularly satisfactory fashion in the ship-building trade. This is owing to the remarkably close organisation of the workers. The most important Union is that of the *Boilermakers and Iron Shipbuilders*, i.e. the men who are engaged in building ironclads, and in the construction of boilers and iron and steel plated vessels. This Union is under the strong and judicious guidance of *Mr. Knight*; it em-

¹ [A great change has since taken place. The Union delegates to the Trade Union Congress in 1893 voted for John Burns and for the eight hours bill.]

braces the whole kingdom, and is the most centralised of all English Trade Unions. Rule 2 contains a significant phrase used by no other Union, "The Society shall be *governed* by an Executive Council," and rule 37 makes this "government" possible by declaring that "all monies subscribed by the members of the Society shall be the property of the Society generally, and not of the branches to which the members respectively belong." This gives the Central Executive an unusually strong position. It alone negotiates the terms of employment with the masters.

The strength of this Union is due to its having both the conditions mentioned above in its favour. In the first place, it is a skilled trade, and that to such a degree that the Union is in a position to enforce a limitation of the number of apprentices. Secondly, the work is uniform, and wages can be fixed in advance by lists which will hold everywhere. Consequently a sharp distinction exists between "individual" and "general" questions.

The first class, *i.e.* all cases of individual complaints, are settled by local bodies, composed of representatives of workmen and employers. As in the other trades, the function of this committee is to secure that the existing conditions of employment are observed, and not to prescribe what these conditions shall be. These cases hardly ever lead to a cessation of work; and an umpire is very seldom appealed to.

A special feature, due to the centralisation of the Boilermakers' Union, is that the local officials, whose duty it is to investigate "individual cases," to discuss them with the employers concerned, and if necessary, to report them to the committee, are not appointed, as elsewhere, by the local organisations, but by the Executive Council. They are therefore called delegates. They are paid for their services, and give their whole time to the business of the Unions. The local Unions, spoken of as "districts," and consisting of a combination of several "branches," are, indeed, under no compulsion to receive a delegate; in fact, they have to apply if they want one. Rule 7 (section 1) runs,—*"Three-fourths of the Branches composing any District may apply to the Executive Council for the appointment of a delegate, but must state fully, in*

writing, the grounds of their application ; and if, after examination, the Executive Council consider it would be to the Society's interest to grant the same, they shall place the application before the Order in the monthly report to be voted upon ; and if the majority of votes are favourable to it, the office shall be put for competition ;" etc. etc. But as a matter of fact the greater number of the districts possess an official of this sort. The scope of their authority is considerable. For instance, they can punish members for drunkenness, wilful idleness, and so on.

Questions of an alteration in the standard wage are decided for all the 217 lodges of the kingdom by the central authority at Newcastle-on-Tyne. It is the sole negotiator—through its officers—with the counter organisations of the masters. These latter do not form one body, but have separate associations for the South (London), the West (Liverpool), the East (Newcastle), and Scotland (Glasgow). Their dealings with each other are almost always amicable, and are conducted in the best possible form. Conferences often attended by as many as twenty-five or more workmen, and not infrequently by all the employers of the district, are held. Since there is no voting, the exact numbers are of no importance. Adjoining the conference hall is a committee room, to which the one or the other party can retire to discuss the proposals of the other side. As they almost always come to some agreement, they have, so far, never had a Court of Arbitration.

The movements of trade are closely watched by the central office, which studies the official reports, the statistics of marine insurance, and so on. They are, therefore, too well informed to make demands which they cannot count on carrying. The employers are well aware of this, and are extremely loath to involve themselves in a struggle. Both know that they have a common interest in maintaining England's practical monopoly of ship-building. The report of the Trade Union of March, 1889, says that employers, too, have perceived that business gets on much better when the parties work harmoniously together and dispose of difficulties by consultation, than when they waste time and money in fighting each other instead of being the good friends they should be.

Strikes are extremely rare; general strikes are unknown. There was a local strike in Liverpool in 1878, because the employers there refused the rise in wages which had been granted in the rest of England. The workmen said they meant to deal fairly with the employers, and were therefore determined that the competing firms all over England should pay the same wages.

There was another strike in February, 1886, in the Eastern shipbuilding district. The course and the termination of this strike show how these contests, which used formerly to give rise to the most lawless outbreaks and almost always demanded the intervention of the military, are now free from all personal bitterness, although they cannot be entirely avoided. At the end of 1885 the employers demanded a great reduction, but it was not till February 6th, 1886, that negotiations were abandoned and the Union of the North Eastern district (Wear and Tyne) was put on a war footing by the Executive Council voting £5,000 "strike money." Negotiations were still conducted between the two sides without a break, the lodges of the Union voting on the proposals of the masters, while their Executive Council made counter-proposals. The contest was conducted throughout in a conciliatory spirit. The employers declared it to be their wish to meet the representatives of the workmen in friendly conference, and, on February 19th, said they were willing to allow their books to be examined by a jointly selected accountant, who might check their calculation of the average wage, which was disputed by the workmen. After a strike of three weeks they came to an agreement on a smaller reduction than that originally demanded. The Union's report says: "[The men] have made a very gallant stand, looked at purely as a stand for better terms, and they have won half the battle." And Mr. Knight, the secretary, further remarks that, "of this strike, or lock-out, or whatever it may be called, it must be said that it has been conducted in the most excellent spirit possible on both sides. There has been little recrimination. There has been no violence."¹

If we compare this with the way in which the engineers' great

¹ Quoted by Price, *Industrial Peace*, pp. 12, 13.

strike of 1852 was conducted, we shall realise the extent of the revolution which has taken place in the relations between employer and workmen. The engineers issued a veritable declaration of war, in outward form as well as in actual fact, teeming with inflammatory appeals. The employers responded by refusing to negotiate, and by demanding that the workmen must submit absolutely and suppress their Union. This was not an economic struggle, but a fight for supremacy on the one side and existence on the other. Driven to extremes by their embittered feelings, either side sought the complete annihilation of its opponent. The issue was the disastrous defeat of the workmen, who were forced into underhand practices by the conditions of re-employment imposed upon them, for, of course, they did not really abandon their Union.

To-day, instead of this, we find the consciousness of a community of interest. When class hatred disappears, and the two parties meet on a footing of equality, both sides, but particularly the workmen, begin to see that struggles of this kind mean a material loss to the whole trade, and, to that extent, an injury to themselves. Reviewing the strike, Mr. Knight warns the workmen against lightly breaking a peace which is much to be preferred to war, and laments that the parties have not been able to come to an agreement without wasting so many weeks in idleness.

Where the employers also are of this opinion, it is only in exceptional cases that they are driven to the extreme measure of a strike or lock-out; but not until the two sides face each other on a footing of acknowledged equality, and the employers admit the fact not only by their words but in their mental attitude and conduct, can such results be obtained.

Nor can the importance of the Boilermakers' and Iron Shipbuilders' Union be fully appreciated unless we recollect that this Union, which had 26,545 members in 1888, controls six or seven other classes of workers—carpenters, smiths, tin-plate workers, painters, and so on—whose Unions follow the shipbuilders' lead in every particular.

CHAPTER XIV.

THE GREAT INDUSTRY (*Continued*).

V.—THE OUTCOME.

WE have seen in the preceding pages that England is preparing the way for the reign of industrial peace, and that she seems to be nearest her goal in those industries in which the organisation of the workers is the most complete. This is true of industry in general, and not only of the branches which we have specially examined. The habit of arranging the conditions of employment by arbitration or friendly negotiation is very general. Not a few Trade Unions have even embodied in their rules a proviso that a strike is never to be declared until a *bonâ fide* offer of arbitration has been made to their opponents. Nor are permanent institutions such as Boards of Conciliation and Joint Committees confined to those trades we have examined.

In some trades, such as that of the compositors, these methods have been the continuous usage ever since the Middle Ages. But where they are of recent origin they are most prominent in the industries where the men are strongly organised, and where there have been the most stubborn wage contests. We may recall the numerous Boards of Arbitration instituted by Sir Rupert Kettle in the building trade. And in those trades which admit of a general rate of wages fixed by means of lists, the necessity of having a committee of the associations concerned to settle difficulties arising in their application has been universally acknowledged. Thus, when a wage list was drawn up by the masons of Bristol

and their employers, it was arranged that a committee of six were to settle all difficulties arising from the interpretation and application of the lists, and that in the event of such difficulties arising, there was to be no intermission of work. Similar institutions have been tried in the chemical industry likewise, as instanced in the rules of a Board of Conciliation for Northumberland and Durham, which is, however, no longer in existence. But the very frequency with which such institutions spring up, now here, now there, by a voluntary arrangement terminable at pleasure, and often disappear again as quickly, make it difficult to ascertain the extent to which they prevail. There is, however, sufficient evidence to show that the tendency to adopt them exists most strongly where the organisation of labour is strong and the industry in question has adopted those processes, peculiar to the Great Industry, which make a uniform regulation of the conditions of employment over a wide area possible.

As early as 1866, the Nottingham Board of Conciliation recognised the educational influence of these institutions on the working classes. "One of the most evident results," it says, "of this interchange of thought and opinion is that the workmen become better acquainted with the laws that govern trade and commerce, and with the influence of foreign competition."

The workmen begin to realise that their demands, pushed beyond a certain point, cannot be made good, or if owing to some exceptional circumstances, they are successfully enforced, the results are fraught with danger. Thus Thomas Burt, secretary of the Northumberland Miners' Union, deprecates attempts to screw wages up beyond their natural level, *i.e.* the level fixed by economic laws. He points out that since shares in a mining company are not so safe as in the English funds—because the coal trade is dependent on many unforeseeable circumstances—it is therefore necessary, and in the interest of the miners as well as of the shareholders, that the dividends should be higher than the interest on consols. This leads the workmen to recognise the value of those methods which obviate the strikes and lock-outs which Burt has elsewhere characterised as a

wanton squandering of the wealth amassed by workmen and employers.

Hence the British workman feels a personal interest in maintaining the national industries which amazes the Continental observer. It is very different from that naïve pride in the magnificence of the patron which is found under the patriarchal system. Still less is it any satisfaction in "the life of luxury led by the employer." It is based upon more sober considerations of a purely economic nature.

And here the action of the leaders of the Unions is of the greatest importance. It is they in the first instance who gain some insight into the industrial condition of their trade, and their most arduous task is to keep the mass of their followers within the bounds of reason. A wage struggle without fair prospects of success is a most damaging undertaking to a prosperous Union. But it is no light task to make this clear to an untaught working man, more especially when he has to submit to an inevitable reduction of wages. In these cases it is the task of such leaders as Burt, Mawdsley, Birtwistle, and Burnett to obviate a struggle which would inflict serious injury on a declining industry, while needlessly weakening the labour organisations; and the thanks of the whole nation are due to them for their efforts. But if the workmen have yielded when trade was bad, they hold themselves justly entitled to a share in the advantages of a revival. The problem which now confronts the leaders must be solved by a study of commercial policy and trade statistics, and consists in so choosing their time and presenting their demands that the employers shall find compliance less costly than a cessation of work.

And here again the workmen, when they see that they can obtain the fruits of victory by peaceful means, are beginning to prefer the less costly procedure. It used frequently to be apprehended that the legalisation of Trade Unions would increase the number of wage struggles. But instead of this the Unions have become veritable Peace Societies. And we may look upon this feature as permanent, inasmuch as it does not spring from

those transient feelings of the moment which are receding farther and farther into the background as the workmen come to treat their relations to their employer from a more purely industrial point of view. Men who have nothing to lose will be more ready to enter into a contest than those who stake an established position, and these latter, if they do enter into a struggle, will not do so unprepared, nor without some prospect of success. This explains why the rules of most Trade Unions throw difficulties in the way of declaring a strike, and why they advocate the settlement of disputes by conciliatory methods. Thus at the Twenty-first Trade Union Congress, held at Bradford in 1888, the following resolution was carried almost unanimously :—"That this Congress is of opinion that the formation of joint boards composed equally of employers and workmen, is very necessary, and would bring about a better understanding between them and secure settlement of vexed questions affecting the interests of both ; and urges the workmen of the large centres of industry to bring the matter before the Chambers of Commerce and other bodies of employers, in order to facilitate the formation of such boards." (P. 43 of Report.) A similar resolution was passed at Dundee in September, 1889.¹

The influence of the developments we have been describing has been equally marked on the employer. And it is only when we remember this that we fully grasp the significance of the political alliance discussed above, on which the sense of civic equality be-

¹ The following figures, given by Howell in the *Contemporary Review*, September, 1883, are specially significant in this connection.

In 1882 the income and expenditure of the following Unions on strikes (inclusive of contributions to the strike funds of other Unions) were : —

	Income.	Cash Balance.	Expenditure on Strikes.
Amalgamated Society of Engineers	£124,408	£168,200	£895
Friendly Society of Ironfounders	42,173	221,130	214
Amalgamated Carpenters & Joiners	49,363	46,389	2,259
„ Society of Tailors	18,731	17,783	565

tween workman and employer is based. Here, too, we find that the ultimate grounds of the change of front are of an economic nature. The employers opposed the growing organisation of the workmen as long as they could hope to keep them down in the position of automatic instruments of production. But as their organisation became stronger, a point was reached at which the employer could not maintain this position without endangering his own profits and imperilling the whole situation. It then became the economic interest of the employer, since he could not crush his opponent, to recognise him and to treat with him, and so, by obviating the ever-growing expense of wage struggles, to cut down the cost of production.

It is indeed a question how soon the employers come to perceive that this is to their interest. Nothing can be more blinding to the judgment than the embitterment of a struggle prolonged through many decades. It would have been impossible for the English employers to take a wide view of their interests, or by recognising the Unions hasten the industrial truce, had it not been for that great revolution in thought, which we have already mentioned. And if we spoke just now of the distinguished working men who lead the van of the industrial peace movement, we must not forget the farsighted employers to whom their country is equally indebted. Such men as Mr. Brassey, Messrs. E. Akroyd and W. E. Forster, who used to negotiate with their men in days when the battle raged around them, Anthony John Mundella, whose name is associated with the first Board of Conciliation of modern times, David Dale, and William Mather, may fitly be placed in the same ranks.

It is true enough that the majority of English employers are very far from having reached the standpoint of those we have mentioned. Not a few still see in the Trade Unions enemies whom they would like to fight, and with whom they only negotiate when necessity compels it. Not infrequently does the Press, and particularly that organ of capital, the *Times*, launch forth attacks on freedom of combination as enthusiastically as twenty years ago. But the more intellectually gifted employers

in the most important English industries have given an ungrudging recognition to the Unions, and comparing the present with the former state of incessant strife, they see in the Trade Union movement the instrument which is to restore English industry to the paths of peace. And since the "Strike Epidemic" has certainly not yet reached its climax on the Continent, where neither side is ripe for the next step in advance, the gentlemen we have named above are right in seeing that their defence against foreign competition lies in English Trade Unionism and the methods of conciliation arising therefrom.

Mr. W. Trant quotes a letter from an ironmaster which bears the stamp of these ideas. He says, "I have had twenty years of pretty close acquaintanceship with both artisans and labourers of all kinds, and I know many of them have much sounder views of common-sense Political Economy than the middle classes in general hold. I look upon Trade Unions as admirable training schools for the workmen, where they will soon outgrow their heresies on the subject of capital and labour; whereas, if they are brow-beaten and scolded in a violent manner, they will begin—as some of them, I fear, have already—to think that masters are to be regarded as their natural enemies, and treated accordingly. The uneducated workmen are, as a rule, a rather violent set of fellows, it must be admitted; but I can see that, under the training and leadership of the foremost men in the Unions, they are fast becoming a very small minority, as they are very plainly and forcibly told that the old way of settling disputes with their employers is about the very worst that could be adopted. This, coming from men of their own class, they are daily becoming more and more ready to listen to with respect, which would not be the case if it emanated from the employers' class, whom they have good grounds for regarding with distrust and suspicion."¹ And David Dale says, "Let me therefore declare emphatically, as the result of long and varied experience, that the best securities that employers can

¹ W. Trant: *Trade Unions* (London, 1884), p. 163. The *Labour Elector*, November, 16th, 1889, gives (p. 308) a letter from an employer expressing the same views.

have for the rule of reason and the observance of engagements on the part of the operatives of any trade is that those operatives should have amongst themselves a union strong in numbers and with an able and thoroughly trusted executive."¹ In such employers and such workmen lies the promise that whatever the future may bring, the industrial development of England shows no signs of entailing a violent social upheaval.²

¹ *Presentation to David Dale*, p. 8 (Darlington.) Printed at the *Times* Office, 1881.

² According to the answers received by the "Labour Commission," conciliation as a method of settling industrial disputes has made great progress since the publication of "*zum Socialen Frieden*" in 1890. The textile industries—not only the Lancashire cotton trade, but the wool and worsted manufactures of Bradford, Leeds, and West Riding—have taken it up (*Digest of Evidence taken before Group C. of the Commission*, vol. 1, pp. 58, 59), as have also the boot and shoe trade, the building trade, and the chemical industry. (*Ibid.*, vol. ii., pp. 87-95.) In mining, too, the principle has spread, beyond the districts I mentioned, to South Wales (where there has long been a sliding scale), South Yorkshire, Staffordshire, and Scotland. (*Digest of Evidence before Group A*, vol. i., pp. 64-68.) It has also been adopted in the foundries of the Midland Counties, South Wales, and West Scotland. (*Ibid.*, vol. ii., pp. 95-105.) Almost all thoughtful working men are now coming to look favourably on conciliation, which is becoming a more and more widespread method of solving labour difficulties.

CHAPTER XV.

UNSKILLED LABOUR.

THE DOCK STRIKE OF 1889.

IN the last five chapters we have concerned ourselves exclusively with the skilled labourers of the Great Industry. The unskilled workers, especially those belonging to the London proletariat, have only quite recently come under the influence of the Trade Union movement. It is the more important for us to examine this development from the fact that the apparently hopeless condition of East London, a short time ago, was continually brought forward to controvert the views we have advanced here. The strike of dock labourers in August and September, 1889, "The great strike," as it is called in labour circles, is by far the most important movement which has taken place among unskilled labourers.

It is rendered noteworthy, to begin with, by its mere magnitude. More than 130,000 men were directly concerned in it, and this number must be greatly increased when we consider the other strikes to which it gave rise. Still more interesting are the underlying motives of this remarkable drama. It was a movement originating not among the skilled and organised labourers, but among that hopeless "Reserve Army of Industry," into whose ranks drift all those who have nothing to offer but the mere strength of their arms. The docks were the last resource for shattered existences of every kind. The supply of labour was unlimited, and in accordance with the teaching of Political Economy, the dock labourers' standard of living had reached the minimum set by the cost of the barest necessities. At times it sank even lower; and the men were so starved that the number of accidents at the docks was increased by their weakness from very hunger. This

was spoken of as "exceptional distress," but the exception recurred regularly every year in the reports of the Poor Law authorities, and the flood of benevolence which it provoked left matters all the more hopeless at its ebb.

This "residuum" of society had hitherto furnished all social revolutionary movements with their proof that the position of the workmen grew worse as the existing social system developed, and that the progress of the skilled labourer was only made at the expense of his unskilled brethren. Hitherto it had been well-nigh impossible to refute such suggestions. For until a short time ago even the greater number of Trade Unionists were doubtful whether these men could be helped by organisation. The result was that the problem of East London had led to many socialistic suggestions of reform among university and professional men interested in the welfare of the working classes.

But the unexpected took place. Though even the London socialist papers do not mention a movement at the docks before August 10th, yet the masses of dock labourers banded themselves together, chose as leaders men whose names had been almost unknown up to that time, and with the discipline of an organised army urged demands which, moderate as they were, struck at the root of the evil.¹ But the still greater marvel is that they won their battle. Such a result seemed inconceivable. It would have appeared easy enough to supply their place out of "the Reserve Army of Industry." The turn taken by the struggle, however, showed that factors are gaining significance in the industrial life of to-day, of which an individualistic school of thought took no account, namely, the *solidarity of the working classes* and the *force of public opinion*. The dock strike, then, forms a fitting close to our work; for it can only be understood in the light of the colossal revolution in thought which is transforming English society.

A study of the period preceding the strike shows that it was the skilled workmen who sowed the seeds of organisation among the helpless masses of the East End. The first man to be named is *John Burns*, a young engineer whom Nature seems to have des-

¹ The strike began about August 3.

tined to be a leader of men. He is a specimen of that advanced type of English artisan which has raised itself to the mental level of the upper classes alike in education and self-respect. He had to leave school at the age of ten, but his taste for reading led him to the study of Carlyle and Ruskin, who became his leaders. He visited Africa as engineer in a steamer, and he spent his savings on a tour of Europe, in the course of which he visited Paris, Berlin, and Vienna. At the age of twenty-five he settled in London as an engineer. His joining the socialist movement helped to turn it into the field of practical politics, thereby investing it with a growing importance in the Trade Union world. It is not his fiery eloquence so much as a touch of Shakesperian "humour" that gives this man of the people his power over the London masses, whom he addresses, half in jest and half in command, as "Lads."

From the time of his settlement in London, Burns conducted a "crusade" among the dock labourers. His own work lay in the West of London, but he often left home at three or four in the morning and walked the whole way to the docks in order to preach the gospel of organisation to the masses fighting for employment at the dock gates, and then, by seven or eight o'clock was back at work in the West. Burns found coadjutors in *Tom Mann*, an engineer in *H. H. Champion*, and the dock labourer, *Ben Tillet*, who had, as early as 1887, issued a fly-sheet calling for the organisation of the dock labourers and the establishment of courts of arbitration.¹

But it was largely owing to the unobtrusive yet untiring efforts of members of the educated classes, and particularly the East London clergy of all denominations, that the self-sacrifice needed to secure the combination of individuals for the good of the community was forthcoming. We may recall in this connection the Working Men's and Boys' Clubs, with their social and political debates and their methods of self-government, and all the other institutions which widen the East Londoner's horizon and pave the way for a collective advance. The prejudice which

¹*A Dock Labourer's Bitter Cry*, by a Docker (1887). The address is remarkably well expressed and moderate in language.

once looked upon associations of working men as something inimical to society, has so completely disappeared that for many years past numerous reformers, both lay and clerical, have pointed them out to the working classes as the best means of securing lasting prosperity for all by helping each to train himself.

But the direct impulse to the strike was given by the success which the Gasworkers' Union (also founded under the auspices of John Burns) met with in the summer of 1889. After an existence of four months, it numbered almost 11,000 members,¹ and had reduced the working day, from between 12 and 13 hours, to 8 hours. Shortly after this 300 dockers struck against a proposed reduction of wages. The grievances for which they demanded redress come under the following heads. (a) Hitherto each job had been undertaken for the Dock Companies by middlemen, who selected the strongest men every morning from among the crowds in search of employment. The men demanded the abolition of these middlemen, and the direct payment of piece-wages. (b) The minimum wage was to be raised from 5d. to 6d. an hour, or for overtime from 6d. to 8d. (c) The most remarkable point was the further demand for a minimum period of employment of four hours. The supply of labour was so excessive that the middlemen had often been able to command sufficient labour power to finish the whole job in an extremely short time. Dockers were not infrequently dismissed after an hour's, sometimes even half an hour's work. They demanded that henceforth no one should be engaged for less than four hours, with proportionate pay.

The well-nigh unlimited supply of labour made this attempt appear hopeless, and the Dock Companies rejected every overture, expecting to have no difficulty in replacing the strikers from the masses of the unemployed. But on the third day of the strike matters took an unexpected turn. The stevedores, an important class of skilled labourers employed at the docks, declared that

¹ The Union has now spread over the whole of Great Britain, and embraces 100,000 members. See report in the *Standard*, June 23rd, 1890. [It has since (1893) fallen to 30,000.]

they should make the dockers' demands their own, although they had nothing to complain of on their own account.¹ Their action was the signal for a strike on the part of other classes of skilled labourers, particularly the sailors,² the watermen and the lightermen.³ In the processions which paraded the town during the ensuing weeks, many of the banners bore the words, "Out on Principle." The skilled workers at the docks had as a matter of fact thrown themselves into the contest in a most disinterested spirit. When they returned to the docks after five weeks without work, and, in many cases, after exhausting their funds, they did so without having asked anything for themselves. The co-operation of many classes of skilled labourers brought about that which the dockers alone would not have been in a position to compass—a standstill in the port of London. The agitation grew like an avalanche, and from being confined to the north bank of the Thames it spread to the south, and by August 29th from 120,000 to 150,000 workmen were involved in it. But there was another condition without which the strike could not have been carried through, namely the attitude taken by the public authorities and Public Opinion. It was now admitted that the workman had just as good a right as the capitalist to pursue his industrial advantage. "Twenty years ago," writes the well-known Liberal paper, the *Daily News*, "every step taken, from the first to the latest, by the men and their leaders, would have been a breach of the Criminal Law. . . Mr. Burns and Mr. Tillett would have been long ago in gaol . . . there would have been bloodshed at the East End, and incendiary fires at the West. . . . The English working man of to-day knows that he is as free to

¹ The stevedores pack the cargo in the ship, while the dockers carry it into or out of the vessel.

² The "Sailors' and Firemen's Union," not, of course, confined to London, embraces 60,000 members [only 10,827 in 1892 according to report of the Trade Union Congress.]

³ A lighter is a vessel which carries the cargo to and from those ships which cannot unload at the quay. The lightermen have an organisation dating from the Middle Ages, and are highly skilled labourers. . . .

stand by his order in what he believes to be a just cause as the Capitalist or the Peer.”¹

In England open-air meetings and processions are not illegal, and anybody is allowed to collect money through the newspapers or in the streets. But in the case of no great labour movement hitherto had the police abstained so completely from every kind of interference. They confined themselves to keeping the thoroughfares clear and maintaining order in the streets. They quietly suffered meetings to be held at the very gates of the docks, and never hindered the workmen's pickets. The result was that throughout the strike of the London proletariat there was none of that angry feeling against the Government which, whether above or below the surface, had hitherto almost always been a feature of any really great strike. Nay, the leaders declared at the close that the behaviour of all ranks and sections of the police force had been unexceptionable. In fact, the Dock Strike showed that England has now learnt how the State can best deal with movements among the masses. The attitude taken by the police was a great thorn in the side of those who, like the Socialist League, felt that their purposes would have been best served if there had been firing in the streets; and Most, the New York anarchist, complained that there was no flavour of revolution in the business. The strikers used to cheer the police and soldiers they met in their processions.

The entirely impartial attitude of the authorities and their abstinence from any kind of paternalism was rewarded by the orderly manner in which the strike was conducted. The men who had always been looked on as the black sheep of society went unmolested in processions twenty or thirty thousand strong through the city—that focus of the commerce of the world where the Bank of England with its stores of bullion stands. In no other country of Europe could such a thing have happened. But the treasures of the city were left undisturbed, and what was, perhaps, more wonderful, considering the voluntary privation undergone by the population of a vast city, the open butcher's

¹ *Daily News*, Sept. 14th, 1889, p. 4, col. 6.

shops of the East End were left untouched. John Burns relates how he has often pushed his way through the crowd with hundreds of pounds on his person and has never lost a farthing, and he adds, that he was never asked for "a drink," as had often enough happened to him before during a strike. The Recorder of London declared at the end of the strike that, although 150,000 men had stood hungry in the streets of a European capital for five weeks, not a single offence attributable to the strike had been brought before his court.

But the workmen enjoyed more than mere liberty to conduct their movement as they saw fit. If public opinion does not yet occupy the position, predicted for it in future by the Positivists, of arbitrator in all labour struggles, it is even now capable of throwing great weight into the scale. It is hardly possible even for the strong to stand against it. This was first shown on a great scale by the strike of the dockers, for without the support thus given they could hardly have won their victory.

The labour problem of East London had hitherto appeared insoluble. The chronic want there prevalent was universally looked upon, to borrow an expression of Giffen's, as the blot on our civilisation. Now, contrary to all expectation, the unskilled labourers were seen to be treading the path by which their skilled brethren had risen. And, moreover, the vast scale of the dock labourers' movement must exercise a decisive influence on the condition of East London for years to come. The revolution in social and political ideas has led to the conviction that a certain minimum subsistence must absolutely be secured to the worker, and that an industrial undertaking, which can only pay by reducing the workers to the condition of "human cattle," had better collapse. Experienced judges saw that the demands of the workmen would endanger the Companies' dividends, but the conclusion they drew therefrom was not that the demands were unreasonable, but that the London dock system was a business failure. It is, as a matter of fact, antiquated, and far behind that of such a port as Hamburg. Some reformers went so far as to advocate the municipalisation

of the docks, which, significantly enough, was regarded as an extreme socialist proposal.

The extent to which the clergy were in the vanguard of public opinion is a remarkable fact. They have known in England how to keep abreast of the times, and so maintain their traditional position of influence. Thus a well-known clergyman, the *Dean of Manchester*, wrote at the beginning of the strike that the unselfish conduct of some of the Unions not immediately concerned had given a striking example of the support of the weak by the strong. He believed that the Trade Unionists, men whom he had long known and respected, had learnt the very necessary lesson that they could not say to the unskilled and unorganised workmen, "We have no need of you." At the same time he felt that both statesmen and the public press, of whatever shade of political opinion, had learnt what we might hope they would never forget, that no requirements of the Capitalist, and no law of Political Economy, could justify the industrial position of the dockers.

During the strike the parochial clergy of the district inhabited by the dock labourers published a manifesto declaring that the former state of things unquestionably demanded a remedy, and that the demands put forward were well calculated to further a permanent solution of the problem.

But the attitude taken by public opinion showed a marked advance on that assumed on previous occasions when an equally needy class of workers was concerned, as, for instance, when the first factory laws were introduced. Then men felt compassion for the poor wretches who would never cease to need protection. Now even the poorest wretch was told of his own power, and helped in order to help himself. Thus the *Manchester Guardian* said: "It is the working man's business and his duty to do all he can towards raising a breakwater against the tendency of wages to fall to the lowest level." (September 10th, 1889.)

Mass meetings held throughout England and in America and Australia expressed sympathy with the dockers. Numbers of newspapers opened subscriptions for them, and the subscription

lists are instructive enough. To begin with, numberless Unions belonging to all classes of trades sent contributions. The Compositors, for instance, gave £500, and the Engineers £700, and their example was followed by private individuals in all classes of society. Even shareholders of the Dock Companies sent money. Many noblemen sent subscriptions; one well-wisher, who was certainly not a member of the working classes, sent £2,000, only giving his initials. Immense sums were received from Australia. There, too, the Trade Unions were the chief contributors, but the following facts will serve to show that even there the money did not come from workmen alone. The members of the Victorian Parliament then sitting, made a collection among themselves, and the premier of Tasmania forwarded a cheque for £700. The fallacy of supposing that the dockers' strike was stirred up by the Continental Social Democrats is shown by the fact that only £100 came from the Continent, of which Germany furnished half; France and Belgium each a quarter.

We can only guess what the total amount collected was. Considerable sums were contributed for the relief of starving women and children by those who were shy of giving direct assistance to a strike. The parochial clergy, benevolent associations of every kind, the Salvation Army, and numerous private persons, furnished channels through which large sums of money were applied during the strike. About £40,000¹ passed through the hands of the leaders of the strike.

When we reflect that hundreds of thousands of human beings had to be supported for five weeks, we can form some estimate of the privations to which the strikers were exposed. Moreover, they belonged to the neediest class, who had scarcely anything to fall back on. During the first week there was an unprecedented rush to the pawnbrokers, but it had stopped by the second week, showing that the dockers had nothing more to pledge.²

¹ H. Ll. Smith & Vaughan Nash : *The Dock Strike*, p. 168.

² Engel, in the *Social Democrat* of October 5th, 1889, and again in his paper on "The Abdication of the Middle Class" in the *Labour Elector*, October 12th, 1889, traces the attitude taken by public opinion to the fact

The organisation of relief was no light task. Day and night John Burns was at work bringing the hitherto incoherent masses of dockers under his leadership. In twelve days he addressed ninety meetings with audiences of thousands, often tens of thousands. Moreover, he succeeded in getting control over those Unions who were striking "on principle," a necessary condition for a success which depended on unanimous action.

The committee meetings were held at "Wade's Arms," a small public-house near the docks. Here the leaders worked day and night at their tremendous task. The committee administered relief by issuing food tickets, to be obtained on the applicants showing a card of membership of the Union. Long before the office whence the tickets were issued was opened, hundreds of men might be seen pressing round the closed doors. When they were opened the police formed a double row, through which the men had to pass in single file. Otherwise the weak would have been trodden to death by the strong. The dockers, who usually think there is immeasurable virtue in strong drink, were a model of temperance during the strike. All were filled with one thought; and those whom the arguments of philanthropists had never kept singly sober were now temperate "on principle" by thousands.

It would have been impossible to have organised relief in an orderly manner if help had not been given by a large body of volunteers. On the south side of the river the strike committee enlisted the direct assistance of a committee of ladies who set up a soup kitchen at 133 Church Street, Deptford, though as a rule direct co-operation was avoided. Bountiful gifts of money, bread, and the materials for soup came through the clergy or

that the middle classes, especially the London shopkeepers, had combined with the working man to break down the monopoly of the Dock Companies. This may have gone for something, but it does not explain all the phenomena. For (1) the English middle classes could have abolished the monopoly any day by legislation; (2) it does not explain the attitude of public opinion in Australia and America; nor does it (3) account for the fact that the position taken by public opinion with regard to other classes of unskilled labourers, the tailors, sempstresses, omnibus and railway employees, is just the same.

charitable societies. The largest soup kitchen was that of Mr. *Sydney Buxton*, the member for the dock constituency of Poplar. Another was opened by two clergymen, Messrs. *Adderley* and *Dalton*. The *Salvation Army* set up an eating-house in the Whitechapel Road, at which nearly 10,000 persons were sometimes fed in one day. In ordinary times these institutions would have been a depressing sight enough, tending as they do to sink the poor still lower, but now they originated in the belief that, if it were possible to save the docker from starvation for a few weeks, he and his family would be able in future to provide decently for themselves.

Another branch of the leaders' activity consisted in the organisation of a picket service on land and water, to inform workmen coming from other places what was going on, and to persuade them to return. Day and night there were 600 pickets taking sentinel duty round the docks. They were under a sort of military organisation. There was a commander for every quay, and reliefs were arranged. Calm, resolute fellows were these sentinels, their features often enough bearing the traces of hunger. Attacks on "blacklegs" were very rare, and were always condemned as useless, and bad for the cause. The moderation thus shown by the dockers towards men who profited by their necessity, and prolonged the period of their starvation, was responded to by the readiness with which almost all the regular workmen sent for from Liverpool, Southampton and elsewhere, returned to their homes. At the end the only blacklegs working in the docks except a few coloured workmen, were the "gentlemen blacklegs," *i.e.* members of the merchant class, clerks and so forth, who did the roughest work in tennis shirts and kid gloves; and the lowest grade of society, standing below the working man, whom the strikers called "criminal blacklegs."

The narrow winding streets beside the river, generally filled with the ceaseless rumble of loaded waggons, were now deserted. Here and there at the street corners a body of silent pickets or a police patrol might be discerned. The paved roadway echoed under the wheels of any passing vehicle, and if one of the

picket commanders was recognised amongst the occupants, the workmen greeted him with a loud cheer. Some of the strikers, disguised as clerks or agricultural labourers, ventured inside the docks as spies.¹ From these expeditions they learned that the Dock Companies, who posed as having surmounted all their difficulties, were not so much as able to unload the frozen meat brought by the New Zealand steamers.

We have seen how the Dock Companies began by refusing to consider the men's demands, expecting that they would be compelled by hunger to return to work in a few days. But when they saw how the strike grew they began to yield on every point, except the rise from 5d. to 6d. It was on this point that the struggle really turned. There were popular songs current about the "tanner," and the French newspaper correspondents in particular were amazed at the spectacle of the proletariat of a great capital exciting itself over a rate of wage instead of a revolutionary catchword.

The obstinate course pursued by the companies can be traced to their financial difficulties. At that time the East and West India Docks were paying no dividends, were in arrears with their interest, and were being administered under the Court of Bankruptcy. Nor were the other Dock Companies much better off. Too many docks had been built, and there was the fiercest competition between the companies.

Thus it was really a fight for life on both sides. The men were now attempting to get rid of the sub-contractor—the middleman's middleman—as a preliminary to an attack on the Dock Companies themselves. The Shipping Companies are the real employers, and their action is significant in this connection. They tried, in the first place, to bring the disputants into accord, but at the same time threatened to build their own docks; while the workmen on their side declared that they were ready to resume work if they were directly employed by the Shipping Companies. The Dock Companies, fearing for their legal monopoly, rejected these overtures.

¹ *Labour Elector*, p. 170 (Sept. 14th, 1889).

Meanwhile the strike began to affect a wider and wider area. Business was at a standstill in the city. The railways had declared at the beginning of the strike that they could no longer be responsible for the punctual delivery of goods. The quays and lighters were overflowing with merchandise, and ships crowded the docks. Then the city of London itself, in the person of the *Lord Mayor*, and the two highest ecclesiastical dignitaries, the *Bishop of London* and *Cardinal Manning*, undertook to mediate between the disputants. It was Cardinal Manning who undoubtedly exercised the greatest influence on the Conciliation Committee. Next to John Burns the most popular figure in the strike was the venerable personality of the cardinal, who, in spite of his eighty-one years, hurried untiringly backwards and forwards between the headquarters of the two parties.

On September 7th, the Dock Companies conceded the rise in wages, and the only point under discussion was when the new regulations were to come into force. The Dock Companies began by suggesting January 1st, then December 1st. The men said October 1st, and it was finally settled for Monday, November 4th. The Dock Companies yielded, they declared, to an "external pressure" which had never before been so great in a struggle between capital and labour, and which, as they themselves declare in their letter to the Lord Mayor on September 7th,¹ "may have very far-reaching consequences in the future."

When the strike was over it was seen that as usual the leaders were those most in favour of moderation. They constituted the official committee, and had all dealings with the other side in their own hands; only the lightermen were represented separately. We may quote the following newspaper report of the final meeting of the Committee of Conciliation on September 14th, enumerating the parties concerned:—"The Lord Mayor, Cardinal Manning, and Mr. Sydney Buxton, M.P., were engaged all day yesterday in successive and prolonged conferences with the directors of the Dock Companies, over whom Mr. R. A. Hankey presided; the Committee of the Association of Master Lightermen and Barge

¹ Given in *The Dockers Strike* (Smith and Nash), pp. 136, 137.

Owners of the Port of London ; the representatives of the Lightermen's Work and Wages Committee, a deputation of shipowners, and the leaders of the dock labourers. The result of their negotiations shortly stated is that there are practically no differences now existing between the joint-committee of the Dock Companies and the various classes of men in their employ, and that as soon as settlements have been effected by mutual agreements or concessions in the few other interests concerned, all classes of dock, river, and wharf labourers can go in on the understanding that such of the new terms as are deferred shall come into force on 4th November next, as proposed by the Mansion House Committee." These regulations granted all the essential demands of the men, a minimum wage of 2s., *i.e.* no man to be taken on for less than four hours, the abolition of sub-contracting in favour of piecework with the minimum wage of 6d. an hour, or 8d. for overtime, overtime being from 6 p.m. to 6 a.m. The workmen made a concession as regards the time when the new regulations were to come into force, and the Dock Companies insisted on two other points: first, that the workmen employed by them during the strike should be left unmolested, and secondly, that all classes of workmen should sign the agreement and resume work simultaneously on the following Monday. The companies, who had originally declined to recognise any representative bodies at all, now declined to deal with the several Unions because they were not representative enough, and concluded their agreement through the agency of the one committee that represented them all.

The negotiations were concluded on September 14th in the Dock-house, which had been besieged by crowds of people since the middle of the day. At 6.30 p.m. came the first report that a provisional treaty had been made, but John Burns did not arrive at Wade's Arms, the headquarters of the strikers, till 8 p.m. Two nights and a day, therefore, were left for securing the acceptance of the terms by the various Unions concerned. The stevedores, sailors, and mechanics, who had struck merely to help the dockers, acting in the same disinterested spirit, declared that

they would accept the agreement approved by the dockers without further modification. The lightermen, however, had made some demands on their own account in the course of the strike ; and although they had resisted an attempt to induce them to abandon the cause of the dockers by granting their own demands, now considered they had all the more right to have them satisfied. They thus held the key of the situation. A docker was heard to say, and not without reason, that if people came out "on principle," they ought to be ready to go in "on principle."

The negotiations with the lightermen lasted far into the night, but John Burns' appeal to the sense of solidarity that unites the working classes was not in vain. The lightermen at last consented to submit their demands to arbitration, and to return to work on that understanding on Monday, September 16th. The nomination of the arbitrator was left to the Lord Mayor, who could not have improved on his choice when he nominated Lord Brassey, with whose name we are already familiar.

There was a similar difficulty on the south side of the river. Though only separated by the stream, the docks on either bank differ widely both in their work and the methods of doing it. On the south side, where most of the corn trade goes, there are fifteen different classes of workmen engaged, among whom are very few genuine dockers, the majority being skilled workmen who receive higher pay. They had indeed joined the north bank in the strike, but they had stipulated for certain conditions which were not included in the proposed agreement. Burns, therefore, when he had secured the adherence of the lightermen, hastened over the river early on Sunday morning, and with him went Mr. Sydney Buxton and a representative of the Shipping Companies. At first the negotiations were rendered extremely difficult, for several of the employers on the south bank were already prepared to grant the demands of the men. Were the latter to sacrifice the victory within their grasp for the sake of their comrades on the north side? It was only through the extraordinary influence John Burns exercises over the London

working men that they managed at last to secure compliance here too. The Union concerned gave John Burns and Sydney Buxton full powers to obtain what they could for them at once, and to submit the rest to arbitration. Meanwhile, they sent a representative to the north side of the river to sign the compact agreed on the previous day.

When we consider the unheard of difficulties which John Burns overcame in these few hours in order to restore peace, no plea but that of ignorance can excuse those who speak of him as a professional agitator, living by dissension. The East Londoner knows better, and honours Burns as the man who has worked harder and more unceasingly than any other to raise him from the chaotic wretchedness of the proletariat.

The effect of the strike was to raise a body of about 60,000 men from the helplessness of the lowest stratum of society, and to instate them in the position of true working men, as characterised by regular employment and a comparatively adequate income. But indirectly many classes besides the regular dockers have profited. The lightermen and the employees on the south bank obtained an increase of pay, as also did the men in the Greenwich harbour. And finally, the orange porters—who, by-the-by, claim to have a Union dating from the Middle Ages—got rid of the middleman who used to defraud them of 50 per cent. of their earnings. In fact, about 200 classes of workers must have been benefited in greater or less degree by the successful issue of this colossal strike.

From the economic point of view, the dock strike so far resembles similar struggles on the part of skilled labourers, that it, too, was solely a question of power. But a few years ago it would have seemed preposterous to talk of a question of power between great companies on the one hand and a motley crowd of promiscuously collected humanity on the other. And, in fact, the power of the latter came not so much from their own strength as from the solidarity of the working classes and the attitude taken by public opinion. Granting this difference, the strike showed a further point of resemblance with those of skilled workmen, in the

effect of that limited community of interest between workmen and employer, which forbids the workman's pressing his demands, at any given time, beyond a certain point. The strikers' treasury was well filled when the leaders advocated compliance with regard to the date at which the new regulations were to come into force, but the workmen were afraid of injuring themselves by scaring trade from the port of London. It was impossible for the London workmen to obtain further improvements in their position until their compeers in the other English ports, and if possible in Antwerp, followed in their footsteps. The masses indeed were far enough from recognising this impossibility. And they were particularly averse to accepting as companions the men who had taken their places during the strike. Consequently, there was a dangerous amount of "friction" when they first went back to work. John Burns, however, disposed of this difficulty as he had done of the others. He represented to the workmen that their recent success could only be the earnest of a greater one if they now conducted themselves with prudence and moderation. Besides, the blacklegs would soon join the Union of their own accord. And this is what most of them actually did, while the rest agreed to leave the docks on condition that they were paid a week's wages out of the surplus of the strike funds.

The strength of the Dockers' Union rapidly increased after the "great strike." Its object is merely to defend the workman's interest against the employer; the unskilled workmen have nothing corresponding to the insurance schemes which are always attached to the Trade Unions in skilled trades, a fact which the dockers parade ostentatiously, saying that if the Union had any such ulterior object it would be too cautious in acting for the protection of trade, and that insurance ought to be left to the State, as it is in Germany. But the simple fact is that the unskilled labourers earn too little to be able to contribute more than is needed for the immediate purposes of the Union.

The Union accomplishes its primary objects in the first place by laying the complaints of individual dockers before the companies. They go through that sifting process which is so valuable

as a means of avoiding labour difficulties. To begin with, a trusted agent, elected by the workmen in each different branch, submits the complaints to an overseer or director. It is only if the difficulty is not settled in this way that it is brought up for examination before the Branch Union; thence it goes to the District Union, and then on to the committee of the Central Union, who take it up if they consider it reasonable. Since the strike many such complaints have been disposed of by negotiation between the Trade Union committee and the Dock Companies, though there have been local strikes here and there. Once, when the strike threatened to involve a large body of persons, the disputants made use of the Committee of Conciliation of the London Chamber of Commerce. But the Union, while looking after the interests of its members, guarantees the quality of the work, and men who do not do their work properly are liable to expulsion.

The second and most important function of a Trade Union, however, concerns the general terms of employment. Here the Dockers' Union had only to maintain the advantages won by the strike. The stipulations of the treaty of Sept. 14th were worked out in detail in agreements, such as are printed more than once in the pages of the *Labour Elector*.¹

It was no easy task to perform this part of the duties of the Union. After a first defeat employers have scarcely ever been able to bring themselves to recognise the combinations of workmen as powers with rights as good as their own. And in the present instance the Dock Companies, which had meantime combined amongst themselves, were the less disposed to do so because the helplessness and hopelessness of the men with whom they had to deal had been proverbial. Nor was this all. The Dock Companies had been in a desperate position even before the strike, in the autumn of 1889. Since then the dock dues had been raised to such an extent as to make London the most expensive port in England, perhaps in the world. In spite of this it was evident that a conversion of the dock shares could not be

¹ See, for instance, the *Labour Elector* for Nov. 9th, 1889, pp. 301, 322.

permanently averted ; and the directors would have preferred that both the public and the shareholders should lay it to the account of a fresh strike. But it is a noteworthy sign of the times that they dared not begin so extensive a contest unless they could put their opponents in the wrong in the eye of public opinion.

In the meantime, the business of the Union was to avoid anything which could lead to a general strike, to strengthen its own position, and await the collapse of the companies. The boldest spirits fixed their hopes on the idea of organising the docks as a co-operative undertaking. The position of the Union was the more difficult because the appeals by which unskilled workmen can alone be organised, must be of a more aggressive nature than is the case with skilled workmen. The skilled Unions can do useful work even when they do not embrace all the operatives employed in the trade, but the very existence of an unskilled Union depends on its power of excluding from work all who will not join it.

The dockers had taken advantage of their triumphant return to the docks, either to turn out the blacklegs they found there or enrol them in their Union. Since then they have not admitted non-Union labour. They even went so far as to induce the overseers and clerks at the docks to organise themselves.¹ Moreover, the Dockers' Union forbade its members to deliver goods to carriers who could not show a Union card. The threat of the Dock Companies to dismiss every workman who should obey this prohibition seemed to point to a renewal of the struggle in a very short time. But once again, men such as Sydney Buxton and John Burns won the victory for moderation. Sydney Buxton pointed out that it was better policy for a Union only to ask for what it could count on obtaining. John Burns warned the men against renewing the struggle lightly ; the next time the dockers rose, the reasons for their action must be clear and comprehensible to the public. Minor points of this kind, ought, in

¹ See the *Labour Elector*, Nov. 16th, 1889.

future, to be dealt with by the Board of Conciliation proposed by the London Chamber of Commerce.¹

The movement for organising dock labour, like that for organising unskilled labour in general, emanated from London. But as Unions have grown up in other English ports, the terms of employment prevalent in London have spread on all sides, sometimes after a struggle, but in other cases—at Leith, for instance—by negotiation. By this means an important and numerous class has been raised from the lowest stratum of society, and enabled to follow in the steps of the more advanced classes of workers. It may be that the ideal to which these men's eyes are turned has a strong tinge of Socialism; but the path they have taken is strictly practical. They are no longer at war with the present, but rather hope to bring about "the emancipation of labour" step by step. The immediate object takes the place of the final goal, and the masses fight for their "tanner." Hope begins to leaven the ideas of the people, and having found that public opinion is no longer purely capitalistic, they can accept the present situation with its moulding traditions as not inconsistent with a faith in a better future.

¹ The board to consist of twelve committees, one for each separate group of trades, *e.g.* the building trades, the clothing trades, shipping, etc. The members to be elected by the associations of the workmen and employers concerned. If a committee cannot come to any decision, the question to be referred to the permanent committee. The London Trade Unions have almost all of them given in their adhesion.

CHAPTER XVI.

UNSKILLED LABOUR GENERALLY.

THE success of the dockers was the signal for a movement which ran through the whole army of unskilled labour. In Sheffield alone, twelve hitherto unorganised industries are said to have seized the opportunity to form Unions. The new Unions do not belong to the great industry proper. They fall into two great classes, embracing on the one hand the employees of companies or institutions enjoying some sort of legal monopoly, such as dock, railway, tram, and omnibus companies, or the postal and telegraph services; and on the other hand, handicraftsmen such as bakers, tailors, shoemakers, waiters, and women workers of all sorts. These people occupy a position similar to that of the employees of the Great Industry at the beginning of the century. Their industrial helplessness is seen in their excessive hours of labour even more than in their low wages. The movement whose most signal expression was the strike of the London dockers, sounded the hour of hope for these masses. Many of them have already secured considerably improved conditions. Like the dockers, they owe their success to the fact that the solidarity of the working classes has become effective, and to the sympathetic attitude of public opinion. Thus we find that representatives of the highest class of working men, like John Burns and Tom Mann, are at the head of the movement, while throughout the kingdom members of the upper classes are associated with these working-class leaders. Clergymen have often helped newly-constituted Unions by becoming their secretaries.¹ The chairman at their meetings are often ex-ministers, or men "with a handle to

¹ Thus the Rev. W. Barclay is secretary of the Tramway Employees, and the Rev. W. Morris of the Gasworkers.

their names." England, indeed, differs from both America and the rest of Europe in that there are large sections of society, academic, professional, clerical, or aristocratic, whose interests are not immediately bound up with capital, and who are more and more coming to side with labour as society progresses.

In point of numbers, the railway employees rank with the dockers. The excessive hours of the railway men, who are kept at work sixteen and sometimes even seventeen or eighteen hours, have frequently been condemned by public opinion, while accidents, due solely to overstrain on the part of the workers, have brought the censure of Parliament upon the managers. But the commotion which some of these accidents have raised has led to no improvement. It was not until the success of the dock strike, when the idea of organisation penetrated deep into the masses, that the way of hope seemed to open. An appeal issued about that time exhorts the railway men to maintain their rights by legal methods, and not to ask Parliament to do for them what they could do themselves, and ought to have the power to do. As a matter of fact, the railway men's chance of improving their position, like that of the dockers, lies in collective action. If the majority of the 400,000 employees of the railways of the United Kingdom could succeed in combining, it would be impossible, in case of a struggle, to replace all of them from the ranks of the unemployed.

The first steps towards organising the railway men were taken by John Burns, H. H. Champion, and others; but they were actively supported by some of the clergy, Toynbee men and others. As will be gathered from what we have said above, the movement was only concerned with the mass of unskilled railway labourers. The higher paid and comparatively skilled workers formed the "Amalgamated Society of Railway Servants" long ago. It has 10,000 members¹ and a capital of £80,000. It is a Union of the earlier type, and performs functions outside those immediately appertaining to a Union as such. It gives sick, accident, superannuation and burial benefits, and has an orphan fund. It sees that men who have been injured in their work are

¹ [Given as 35,000 in 1892.]

duly compensated. Its rules provide that in case of disputes the Union shall offer to submit the case to arbitration.¹ These provisions were "too aristocratic" for the unskilled workmen. The Amalgamated Society was charged with being too weak to protect the interests of the workers, and accused of providing for its members when they were dead, instead of getting shorter hours, and so preventing them from being killed. Thus the "General Union of Railway Workers" took its place beside the old Union. It has a lower subscription, with no arrangements for insurance, and devotes its whole attention to the conditions of employment. The two functions it fulfils are those we have so often mentioned, attending to the grievances of individual members and trying to improve the general conditions of employment. The first and most vital point to aim at has been the reduction of working hours to sixty per week.

The Union, which is in no way hostile to that of the skilled workmen, has grown rapidly. It had 30,000 members when it had only been in existence for four weeks.² The consciousness that it is not as yet sufficiently powerful has hitherto led it to abstain from stipulations about the general terms of employment throughout the industry, but it has obtained valuable concessions in individual cases, especially with regard to Sunday employment. I should also mention that a court has already sat in Newcastle to arbitrate between the North-Eastern Railway and a section of their employees. It met (January 10th, 1890) under the presidency of Dr. Spence Watson, whom we have already had frequent occasion to mention, and its creation shows that it is not impossible for unskilled labourers to employ a method evolved by their skilled brethren for the avoidance of labour contests.

The Tram and Omnibus Employees are in a far worse position than the railway servants. They, too, are "unskilled" workmen, and they are not a large enough body to succeed by combination unless vigorously supported by public opinion. Their hours are terribly long; 17 and 18 a day are not rare. Moreover, low-as

¹ Rule 14, sec. 6.

² [The numbers have since been largely reduced.]

their wages are, they are subject to further reduction owing to a system of fines whereby a considerable portion of their earnings is sometimes withheld. Their helpless condition has made their attempts at organisation even more dependent on assistance from individuals belonging to the educated classes than those of the dockers and railway servants. *Lord Rosebery*, some time minister for foreign affairs, took the chair at a preliminary meeting of tram and omnibus employees held in the Memorial Hall in October, 1889 between 1.30 and 3.30 at night, for the hours of the men made it impossible for them to attend at any other time. The *Rev. F. Barclay* has done good service as secretary of the new Union. The manifesto drawn up by the meeting is primarily directed against the excessive hours of labour. Hitherto they had petitioned for redress of grievances; henceforth, since this method had proved ineffectual, they intended to try the only plan which leads to success, and to unite to help themselves. They called on all their fellows to join the ever-growing army of organised workers, and thereby help the cause of humanity, at the same time appealing to the public to support the nascent Union in its sufficiently modest demand for a twelve hours day. The employers began with their usual response, especially to unskilled and despised workmen. They could not exactly refuse a hearing to the deputation led by a clergyman; but a man who joined the Union was often punished by summary dismissal. It was only when the public began to show a serious interest in the movement that the omnibus companies made a few concessions, and one or two of them granted a twelve hours day. But the difficulties in the way of combination make the suggestion of protective legislation especially tempting, and *Lord Rosebery*, the chairman of the London County Council, has pronounced in favour of a still more effective measure of assistance, *viz.* the municipalisation of the London tramways, a measure that has actually been carried out in some towns.¹

There is less difficulty in getting the Unions recognised by the

¹ In Huddersfield, for instance, the tramways have been municipalised, and an eight hours day introduced.

masters in the minor trades than where there are great joint-stock companies which never come into contact with the worker. The Waiters' Union was recognised by the employers from the first. The United Master Bakers were willing to negotiate with the Journeymen Bakers' Union as soon as it was formed. The East End tailors voluntarily appealed to a court of arbitration the first time their workpeople struck. On the other hand, it is more difficult to compel the numerous small employers to abide by the conditions to which they have agreed, and we find the masters who have stood by their agreement combining with the workmen, and even admitted into their Unions, in order to secure protection against their disloyal competitors. The support of the upper classes is strongest where the position of the workers is most helpless. John Burns organised the bakers, who are not entirely unskilled, and moreover, have the possible command of a boycott from the working classes at their back. Their success was complete; without a strike they got their unreasonably long working day reduced to 12 hours. Not so the East End tailors. Exploited to a disgraceful extent by the sweaters, they seized the occasion of the dock strike for an agitation of their own. At any other time such an attempt would have been inconceivable, for nothing isolates men and keeps them from combined action so absolutely as the depth of poverty does. *Mr. Samuel Montague*, the Member for Whitechapel, took up their cause, and thanks to his mediation, a court of arbitration was instituted, on which Lord Brassey, Lord Dunraven, the Bishop of Bedford and several other clergymen sat. It was, indeed, remarkable to see men of this stamp intervening in the life struggle waged by the poorest of the poor.

But existing circumstances made it impossible to carry out the award. The middlemen, who supply the clothing to the great houses of the City and the West End, compete with each other fiercely, and so enable the latter to cut down prices to the lowest possible level. The work is often given to women, who take it home and receive the lowest possible pay, often only a few pence for making a whole garment, and under this system any attempt to regulate wages by general agreement must inevitably

break down. When a fresh strike was on foot in the Spring of 1890, the leader of the middlemen, *Mark Moses*, who, as he himself declared, has the honour to be described by the Press as a good specimen of the average sweater, proposed the closest union between the associations of workers and employers. The two sides finally agreed that the workers were only to work with members of the Union, and the masters only to employ such; the contractors were only to deal with houses paying prices fixed by a list, and so calculated as to make a shorter working day possible. All disputes between the two parties were henceforth to be decided by a Board of Conciliation. We see how all this puts us on the way to the Great Industry, for this agreement means an alliance against the small and disloyal competitors. The strike of the London shoemakers, in favour of the erection of workshops and the prohibition of home work, had the same object in view.

A special interest attaches to the attempt to organise female labour, which is also connected with the movement of 1887. There has indeed been a "Woman's Protective and Provident League" ever since 1874, on the model of a Trade Union with an insurance department. But this movement was confined to a narrow circle, chiefly because of the indifference, not to say hostility, of the older Unions. If these latter had feared that even the unskilled labourers could not improve their position except at the expense of their skilled brethren, their attitude was still more unpropitious towards women's work. It is the traditional policy of the English working man, and consequently of his organisations, to exclude women from paid labour. "Woman's place is the home." If they left off competing with the men, the latter's wages would increase so that the woman's help would no longer be necessary to support the family. But these conditions have only been actually secured in the mining industries, where the State prohibits women's labour. In other trades the men did not succeed in keeping women out of profitable employment. Then it occurred to them that since they could not exclude the women, they might organise them so as to raise the conditions of employment as nearly as possible to the standard attained by the men. This would

take away the inducement to employ women instead of men, or at worst, would prevent female competition from depressing the wages of the men. Hence the president of the Trade Union Congress in its Dundee meeting (1889) expressed himself in favour of the organisation of women's labour, and urged the existing Unions to assist therein.

And the other aspect of the new movement, the co-operation of members of the upper classes, is particularly conspicuous in attempts to organise women. Lady Dilke has taken a prominent part in this work. During the Dundee Congress she herself organised meetings for the purpose of forming a Union among the girls employed in the spinning mills there. This attempt, too, brought out another characteristic of the new movement, which appeals to the social motives of its members more than the old Unionism did. Lady Dilke kindled the enthusiasm of her audience not merely by insisting on the personal advantages to be gained by combination, but by pointing to organisation as the means to the future emancipation of the countless hosts in the world's Army of Industry. A large number of deputies to the Congress, alike from the ranks of the conservative majority and from those of the progressive section, showed their sympathy with Lady Dilke's work by attending her meetings.¹ From Dundee Lady Dilke carried her campaign through Scotland, holding meetings at which she often addressed several thousand hearers. Hundreds of women joined her organisation, and she everywhere met with the most cordial support from the existing Unions of skilled workmen. At the request of numerous local Trade Councils such as those of Newcastle, Harwich, Glasgow, and Ipswich, she has since then undertaken a fresh campaign through England and Scotland. The hitherto obscure "Women's Provident League" acts in conjunction with Lady Dilke. The Society is contemplating the institution of a kind of Women's labour bureau in London, and Lord and Lady Brassey have taken a leading part in the matter.

At the same time a similar society has arisen in London, the

¹ See Lady Dilke's articles in the *New Review* (January and May, 1890), and *Report of Trade Union Congress* (1889), p. 63.

"Women's Trades Association," whose object is to organise the women workers of the metropolis. This divided activity, which does not prevent friendly co-operation, seems to be due to an unwillingness or inability on the part of the London workwomen to join a Union which includes insurance amongst its functions, a characteristic we have already noticed among the unskilled labourers. The London movement adopts the policy of the "New Unionism" without reserve, and claims the assistance of "every man and woman of every class."

Indeed, there is no denying that the position of the majority of the women workers of London, and especially of East London, together with the condition of the dockers, forms one of the darkest blots on the life of the English nation. The women engaged in the clothing trades are the most numerous class, but there are many others in the same industrial position, such as the cigar-makers, and the match and rope-makers. They have to contend with three conditions, each one of which in itself tends to degrade labour. Their work is relatively unskilled, is a handicraft industry, and is subject to the fluctuations of a capricious fashion, which, moreover, varies with the time of year. The middleman, who, by taking on sub-contracts, thrusts himself in between the employer and the worker, takes advantage of the helplessness bred of those conditions; and the consequences are such as always follow under similar circumstances. The average wage earned by a woman in London is twopence an hour. In very many cases it does not rise above a penny an hour. Moreover, there is no uniformity of wage. There will be a difference of 50 per cent. in the amounts paid for the same work in two adjoining streets. We could hardly have a clearer proof that the terms of employment are arbitrarily fixed, and that the general economic conditions present no insuperable difficulties in the way of higher wages. The hours are unusually long, and moreover the women are often compelled to take the work home with them at night to finish it. Besides this, employment is extremely irregular in the several branches of the clothing trade. The workshops which supply most of the ladies' costumes to the West End trades do not begin

work until orders come in, so as to lessen, as much as possible, the risk incurred by the uncertainty of the weather and similar considerations. Then they work eighteen or twenty hours a day, and when the season is over the majority of the women are discharged to spend the winter on the streets, or in the workhouse.¹

Mrs. Annie Besant has been a pioneer in this matter. She began by organising the girls in the match factories, and getting shorter hours for them. The strike at Bryant and Mays was the first sign of a movement in the ranks of female labour. But it was the universal interest roused by the dock strike which gave the first great impulse to the cause of the women. The leaders of the dock strike are in friendly relations with the "Women's Trades Association," but it by no means depends exclusively upon members of the working classes. Here, too, we find the same co-operation of all classes which is so conspicuous elsewhere. For instance, the Bishop of Bedford took the chair at the first great meeting of working women which was held in the East End, and insisted that it was not charity, but justice which was wanted, and this the women would only secure by combination. He was supported by John Burns, who said he had come there in gratitude for all he owed to his mother, who had gone hungry herself to bring up her children. Not only was it through her influence that he had signed the pledge, not only was

¹ See Mr. Lakeman's *Report upon the Social Condition of Factory and Workshop Female Operatives in the Central Metropolitan District in 1887*, contained in the *Report of the Chief Inspector of Factories and Workshops for 1887*. We may also quote an example of the treatment of the women. It is a common custom to allow the experienced workwomen to make "samples" of cloaks, jackets, etc., to be offered to the shops at the beginning of the season. If a model takes, and orders come in, the manager orders one or two gross from the woman at the price she named, "if he is an honourable man." If he is not, having secured a pattern, he gets the work done by a woman who will undertake it for still less. A whole mantle is sometimes made for not more than 1s. 6d. The woman who gets the order has then to find hands to execute it, and as she herself can barely make a living out of what she gets, her subordinates have to be content with veritable starvation wages. (See the *Labour Elector*, Nov. 16th, 1890, p. 319.)

it she who had enabled him to educate himself, but it was owing to her that he had made it his life work to fight against avoidable poverty, a fight in the course of which he had already helped in the formation of fifteen Trade Unions. The organisation of the working women of London, he said, would be of an importance only equalled by that of the dock labourers. It is a scene to set men thinking: the democratic leader who is too radical for the majority of the skilled artisans, in friendly co-operation with a bishop of the Established Church, clergymen of all denominations, and ladies from the highest circles of society, to better the lot of the working women of London.

As a companion picture we have the meeting held in a hall in Piccadilly (also by the Women's Trades Association), to acquaint the ladies of the West End with the work which was being done. Lord Dunraven took the chair, and his opening speech was followed by others from the Bishop of Bedford and *Mrs. Briant*, secretary of the Nottingham and Leicester Cigarmaker's Union. The meeting closed with a speech from Ben Tillet, a leader of the dockers, and one of the most prominent figures of the strike.

But when once a Union has been started, it is left to manage itself. Miss Clementina Black, in an article in the *Nineteenth Century* (May, 1889), reports *Mrs. Briant's* account not only of the difficulties, but also of the success, of one of these attempts. There is now only one cigar factory left in Nottingham which does not pay the Union rate of wages or which employs non-Union hands.

CHAPTER XVII.

CONCLUSION.

HALF a century ago Carlyle said, "Democracy . . . has declared itself an inevitable fact."¹ But in estimating the scope of the word we must not look upon it as describing a political system, much less as in any sense contrasted to a monarchical constitution. There are indeed republics entirely under the sway of "the almighty dollar," where the working classes have no hope except in revolution. What Carlyle's "Democracy" meant was rather a change in thought and feeling. The end of the social organism no longer appears as the existence of certain privileged individuals, but as the elevation of the masses, that is to say of the new industrial class created by that Great Industry which is the necessary condition of progress.

The first demand of a democracy is for security of material existence, and the sharing by the workers in industrial profits, the monopoly of which by capital is now felt to be unjust. But all this is only a means to intellectual and moral elevation, the demolition of those class distinctions which spring from differences of thought and education, and the unfettered development of every human mind. The further we go in this direction the more completely does the social centre of gravity shift away from the privileged classes and towards the masses of the people.

This new tendency is quite foreign to the older Political Economy, which looked on the accumulation of capital as the object of the existence of society. On the other hand, it is in complete harmony with that principle of Christianity which attaches an absolute value, greater than that of all earthly things, to a human being as such. Without such a principle the new

¹ *Latter-Day Pamphlets*, i. ; *The Present Time* (1850).

creed would soon die ; with it, it becomes a real religion, inspiring and constraining its followers, and often forcing the individual, even at the sacrifice of his personal well-being, to devote his life to the advancement of humanity. It is indeed wonderful to see the action of such a force in the century of Bentham and Ricardo.

The immediate question is, are these demands, which are the outcome of our mental development, in any essential a contradiction to the conditions of our material development? Can they be satisfied by a further advance in the direction in which we are already going? The degradation of the worker brought about by the rise of the Great Industry seemed at first to answer this question in the negative. It was the answer given by the Classical Economist no less than by the Chartist. Marx and Engel. followed the same line of thought, and reduced it to a system. The further development of the Great Industry meant a continuous degradation of the worker to the dead level of a hopeless proletariat, the accumulation of capital in the hands of the few, the disappearance of the middle class, and the rise of a party of social revolution.

How do these predictions compare with the facts? The minute statistics of the Board of Trade prove that they have not been realised in England, and thereby cut the ground from under the feet of the revolutionary party. One thing is certain, that the material position of the working classes has steadily improved during the last half-century. This fact, which has been so often insisted on, is supported by the figures of the well-known statistician, Robert Giffen.¹ We will briefly note the most important points. The wages of textile workers have risen on an average from 50 per cent. to 100 per cent. since 1830,² even the wages of agricultural labourers have risen, and that too—in spite of Ricardo's doctrine that rent absorbs all surplus over a minimum wage—at the expense of rents. And Giffen calls special attention to the fact that the appreciation of gold

¹ *The Progress of the Working Classes*, by Robert Giffen. (London: G. Bell & Sons, 1884.)

² Giffen gives the following among other examples :—

during the last twenty years, while reducing the price of most articles of consumption, has had no effect on wages.¹ Thus the prices of almost all the commodities which the workmen require have fallen, so that while money wages have actually risen, the same wages now represent far greater purchasing power. Above all, corn, which has always been the workman's staff of life, has been growing cheaper, if not from the moment of the repeal of the Corn Laws, at any rate in a marked degree since 1862. The average price of wheat was 58s. 7d. between 1837 and 1846, and 48s. 9d. between 1874 and 1884; and at the same time the price has become steadier, a fact quite as important to the labourer. Real scarcity prices are now hardly a possibility. The same

Occupation.	Place.	Wages 33 Years Ago per Week.	Wages 1900 per Week.	Increase or Decrease Amount per cent.		
Carpenters	Manchester	24s	34s	10s	= (+)	42 $\frac{1}{2}$ %
"	Glasgow	14s	26s	12s	= (+)	85 $\frac{1}{2}$ %
Miners	Staffordshire	2s 8d*	4s	1s 4d	= (+)	50 $\frac{1}{2}$ %
Pattern weavers	Huddersfield	16s	25s	9s	= (+)	55 $\frac{1}{2}$ %
Weavers	"	12s	26s	14s	= (+)	115 $\frac{1}{2}$ %
" (men)	Bradford	8s 3d	20s 6d	12s 3d	= (+)	150%
Spinning } (children)		4s 5d	11s 6d	7s 1d	= (+)	160%

Per day.

According to the report which *Mr. George Lowl*, President of the Manchester Chamber of Commerce, sent to the Commission on *Trade Depression*, wages have gone up in the Lancashire cotton trade in the following percentages during the thirty-three years from 1850 to 1883:—

Occupations.	Wages Increased.
Cotton spinning and weaving, medium,	74·72 per cent.
" fine,	16·27 "
" and weaving, fine, Bolton,	35·16 "
" " " No. 150 Weft,	37·00 "
Bleaching,	50·00 "
Calico printing,	50·00 "

¹ See *Recent Changes in Prices and Incomes* (R. Giffen); read before the Royal Statistical Society (Dec. 18th, 1888), pp. 7-26 and 56-88.

holds good for most of the other articles of the labourers' consumption, except that meat has risen somewhat in price, which however makes little difference, since it hardly affects bacon and pork, the main stand-by of the labourer.

From the rise in wages and cheapening of the necessities of life we may infer a rise in the standard of living, and the statistics brought forward by Giffen give us the direct proof of it. The average consumption of the primary articles of food and luxury has increased enormously per head of population. This can be most clearly seen in those articles which are not produced in the country, and as to which a simple comparison of the importation figures suffices. The consumption per head of tea and sugar is about four times as great as it was forty years ago, which tells more clearly than any other single fact of the increased comfort of the labouring classes. This improvement goes hand in hand with a fall in the death-rate. According to *Humphrey's* statistics the average age of men had risen from 39·9 to 41·9 between 1840 and 1880, that of women from 41·9 to 45·3; and this is primarily due to the improved conditions of life, and the reduction of infant mortality.¹ The importance, in this connection, of the curtailment of the working day we have seen exemplified by figures cited from the Engineers' reports where the mortality statistics enable us distinctly to trace its effect.

That the improvement has penetrated to the lowest strata of society, is shown by the relative decrease in the number of paupers, which certainly cannot be attributed to any severer standard applied to the several applicants for relief.²

¹ See Giffen, *Progress of the Working Classes*, p. 15; and Humphrey, *Recent Decline in the English Death-Rate*; *Royal Stat. Soc. Journal*, vol. 46, pp. 197, 201.

Year.	Population (Gt. Britain only).	Paupers.
1860	22,957,451	965,229
1883	32,662,960	917,502

The reduction amounts to about 33 per cent. See the *Statistical Abstract for the United Kingdom*, 1875 and 1888. If we take a longer period the change is even greater.

It might still be urged that this undeniable advance of the working classes is insignificant as compared with the enormous growth of capital, and that the more rapid aggregation of wealth is, in spite of everything, tending to widen the gap between rich and poor. Great importance, therefore, attaches to the fact which *Mr. Goschen* has established, that in England at any rate, the widespread idea that wealth is accumulating in ever fewer and fewer hands is erroneous. Indeed, the copious material supplied by this great statistician reveals a tendency towards the equalisation of incomes.¹

Now, this shows, either that the middle class is not, as some have asserted, declining, or more important still, that the income of labour is greatly increasing, and that the small middle class of old times is taking a less prominent position, not because of its own decline, but because of the rise of the working class. The Royal Commission on the *Depression of Trade* bears witness to the same facts. Page xvi. of the Final Report shows that in England the number of annual incomes under £2,000 is increasing with great rapidity, those of £2,000 to £5,000, much less rapidly, while those of over £5,000 show a decrease. The commissioners concluded that while the great capitalists make less than they did formerly, the number of those "who are making a profit, though possibly a small one, has largely increased." This was especially the case during the decade reviewed by the Commission, *viz.* 1877-1886. During that period, which began with a depression and ended with a revival of trade, the incomes of £150 to £500—*i.e.* the lowest class of those who pay income-tax, which may be supposed to cover the artisan and lower middle classes—increased 21·4 per cent.; the incomes of the upper middle classes showed a slight increase, while the number of incomes over £5,000 had fallen 2·3 per cent.²

¹ Goschen: *Increase of Moderate Incomes*. Presidential address to the Royal Stat. Soc., Dec., 1887.

² Quoted from a table showing "how wealth is distributed among the different classes of income-tax payers under schedule D," in Goschen's paper; p. 593 of *Journal of the Royal Statistical Society* for 1887. He gives

Goschen brings forward other facts which are all the more valuable in view of the objections sometimes raised to judging entirely by the income-tax returns. Without going into detail, we will touch on the most important results. The total amount covered by life insurance premiums is on the increase, but the number of persons insured is increasing far more rapidly, whence it follows that the average value of one man's premium is decreasing. In fact, it fell from £492 to £466 between 1880 and 1885. An examination of the inhabited house duty gives similar results. The number of houses of an annual rental of £20 to £50, such as the lower middle classes occupy, shows a not inconsiderable increase (19 per cent. from 1880 to 1886). This increase is less for the more valuable houses, and, finally, houses of an annual rent of £1,000 and upwards show a decrease (8 per cent. from 1880 to 1886). At the same time the number of houses rented by the upper working classes has increased enormously.¹

The growth of joint-stock undertakings is another sign, and at the same time a cause, of the increasing equalisation of incomes. In the decade 1877-1887 they increased 92 per cent., and threatened to drive individual enterprise out of the field in important branches of industry. More than three-fifths of the sum total of English industry, as calculated from the amount of capital engaged, is now managed by joint-stock companies.² From Goschen's statistics, it seems likely that there has been a still greater increase in the numbers of the shareholders, which would mean a reduction in the number of shares held by each. This indicates nothing less than that the gains of industry, instead of falling to a few favoured individuals, tend to be received, except in the case of businesses which present special difficulties to the

£500 to £1,000, no increase; £1,000 to £5,000, increase of 2·3 per cent. above decrease. The salaries of public and private officials, tabulated in schedule E, give similar results (pp. 599, 601.)

² 1875-1886.	Rent .	Under £10	£10 to £15	£15 to £20
	Increase	5·8 per cent.	58 per cent.	56 per cent.

² *Capital and Land*, Fabian tract. No. 7 (London.)

joint-stock form, by the middle classes, thus giving them increased numbers and importance, while the working classes take out their share in the form of higher wages ;—though for that matter the co-operative movement has enabled the higher classes of working men to secure directly a considerable share of the profits at any rate of distributive industry. In a few cases they have even formed successful joint-stock companies of their own.

The facts we have quoted above gain increased significance in connection with the prevalence of the belief in the widening gulf between rich and poor as conceived of by Marx and Engel, a belief which is still often held in circles otherwise most strenuously opposed to their teachings. But the English working classes themselves, whatever their school of thought, look to the future with hope. And the political conditions of England, the right of free combination and its corollaries—freedom of assembly and freedom of the press—leave the path of progress so free that there is no room for that pessimism which produces the desire of revolution. In fact the English working classes are proudly conscious that they possess, to a greater extent than their peers in any country, the United States included, the means of attaining their objects by steps which are none the less practical for being peaceful and gradual. The tactics, therefore, which they have adopted are pacific and constitutional, and the means they employ are organisation and legislation.

The objects of Trade Unionism—putting aside insurance, which is only included in the Unions of skilled workmen, and not always even then—is to bring about improvements in the conditions of labour, such as a rise of wages or a reduction of the working-day, by means of limiting the supply of labour. There is the declaration of industrial war in the background as an *ultima ratio*. But the better the organisation of the forces on either side, the more conscious will they be of their common object in the maintenance of the national industry, and the more anxious will they be to find peaceful solutions for labour difficulties. Thus we see the new Unions of unskilled labourers among the foremost advocates of the methods of conciliation we have described. We may there-

fore expect a diminution in the number of industrial struggles in the future, although it will long be veiled by the rise of fresh classes of workers continually pushing their way out of the crowd of unorganised labour, and going through the same stages their more advanced brethren have traversed. At the same time, it seems as if the contests of the future, while decreasing in frequency, will, like wars, increase in extension. Even now many distinct classes of workers often unite, as they did in the dock strike, and strikes even show signs of a tendency to become international. But the more extensive these contests become, the more effective is that force of public opinion which makes success largely dependent on abstention from violence, and at the same time exercises a constant pressure in favour of peaceful methods of settlement. As organisation proceeds, the isolation of the individual, which Carlyle regards as a sign of social dissolution, vanishes, and he is strengthened and raised by those associations which are his school of discipline and self-forgetfulness.

Moreover, the Trade Unions, like the mediæval guilds, are gaining an ever greater political significance. By saying that they have "no political basis," they simply mean to guard themselves from being placed at the service and among the adherents of any political party, and this expression has never implied any remissness in advocating legislation in the interests of the working classes. The greater the prominence given to such legislation the greater does the political significance of the Trade Unions become. Mr. Frederick Harrison exactly hit the mark when he said that the Trade Union leader of the old style was the manager of an insurance company, but he was now becoming a political leader.

While the Liberal party is leaning more and more towards State intervention in the interests of the masses, their political opponents are constituting themselves more and more the champions of individual liberty. By a wonderful change of rôles, the Conservative "Liberty and Property Defence League" identifies itself with the *laissez-faire* policy of the older Political Economy, which was originally evolved in support of Liberalism.

On these two levers—trade organisation and constructive politics—the English labour movement of to-day relies. At the same time the opposing forces are extremely strong. They will probably concentrate themselves under the Conservative banner, and constitute themselves the guardians of England's power of meeting foreign competition. Meanwhile the present development of industry is in the direction of an ever greater concentration, if not of capital, at any rate of businesses. We are going from "Great Industry" to "Colossal Industry," nay, in many cases to the concentration of whole trades, as in America, by a system of trusts and rings into one huge undertaking. Rings were formed even in the sixties in Germany; nor are such developments unknown in England, although they are at present clandestine, owing to the disapproval with which they have hitherto been regarded by the general public. But even if a fresh source of strength is thus opened to capital, it cannot prevent the growth of the power of the working classes provided they have strong organisations themselves, and there is no doubt that, as a matter of fact, their power is now increasing. The question to be answered is, whether this, as Continental observers are disposed to fear, really imperils the intellectual and moral wealth of the nation?

What we really find is the practical reconciliation of the earlier Liberalism with the socialistic currents of the present. This is indeed inevitable now that thought has already passed beyond that stage in which the two tendencies appeared to be in opposition. And this development of thought points the way to a development of fact.

It is in the idea of a social organism which we, like M. Taine, regard as the fundamental conception of the intellectual movement, that we find the higher unity we are seeking. The characteristic of organic development is found in the progressive subordination of the part to the whole and the progressive differentiation of the parts into organs. This is accompanied by a process of adaptation of the units composing the whole to the life-conditions of the whole; and the bonds of union which were at first merely mechanical pass into an ever closer combination

based on internal changes of structure. It is here that the enormous superiority of the social over the physical organism appears, since the former is constituted of individuals, the latter of mechanically united parts. The process we have been describing tends towards a state of equilibrium in which action and reaction are balanced, though we cannot conceive of an organism attaining to perfectly stable equilibrium. Such an equilibrium would be Eternity, and could only be conceived of that Universal which comprehends all manifestations, and itself transcends the sphere of human thought.

When we apply these thoughts to the development of societies, we may see in them also the progressive subordination of the parts to the whole, and the differentiation of the parts into organs. The component units—human individuals—are accommodating themselves in an ever-increasing measure to the life conditions of the whole, and mechanical methods such as State compulsion are being replaced by moral changes in the individual. I heartily accept the saying of my esteemed friend, Dr. Spence Watson of Newcastle, that every social advance is, in the last analysis, a moral advance. But a society which can entirely dispense with compulsion, and rests on a subordination of the individual resulting from purely moral forces, which has, in fact, attained a permanent equilibrium, is an ideal, and as such is not for this world. We strive after it, we shall not reach it. The belief that such an ideal could be realised was the mistake of the older Liberalism, which thought to promote social harmony by the mere liberation of the individual. How far the individual was from fulfilling the necessary conditions appeared when it was shown that his liberation merely meant that all restraint was removed from the impulses of self-seeking. This led to the oppression of the weak by the strong, which in its turn gave rise to that revolutionary Socialism which has forced a recognition of the failure of the older Liberalism upon all those who had not already learned it for themselves.

In so far as those classes which are still in a state of economic inferiority are coming intellectually, socially, and politically to

the front, Socialism does well to emphasize the call for renunciation. Its advantage over the scheme of thought which it supplanted, consists in its assertion that the individual should subordinate alike his possessions and his natural gifts to the community, that the common interests must take precedence of those of the individual. But the socialistic and individualistic points of view are reconciled in the truly "social" conception. It accepts, without reserve, the socialistic thesis that the individual exists for the sake of the community. But it carries it out more consistently. For since that thesis can only rest on an organic conception of society, which is destructive of the "mechanical juxtapositions" of individualism, the subordination of the individual to the community must itself be conceived of not mechanically but organically, and therefore must be in ever-increasing measure a free subordination based on moral changes in the individual. Socialism indeed attacks Individualism with the weapon of State compulsion, yet the true *social* end is not compulsion, but the ultimate elimination of compulsion. Our goal is that of the old philosophy, the liberation of the individual, but instead of thinking to attain it to-day or to-morrow by abrogating all restrictive legislation, we regard it as an immeasurably distant ideal. But we do not forget the historical debt we owe to the older Liberalism for the abiding advantages it has secured to us. Through it the workers in the industrial system which grew up at its side first gained that power of independent thought which now leads to Collectivism.

But the social conception of society must not look for immediate acceptance. It cannot serve as a dam against the flood-tide of Socialism until the working classes have raised themselves high enough to recognise the necessity of defending personal liberty from the encroachments of a socialistic state. It is this which fixes an impassable limit to State interference.

We may, indeed, ultimately expect an ebb in the tide of Socialism, but only when moral restraints have arisen to replace those of the State. If we look upon progress as the elimination of compulsion from the field of human relations, and its replace-

ment by voluntary self-direction, this external development presupposes an inner change. To borrow an expression of Carlyle's, it presupposes the continuous development of those forms of *faith* which under various aspects are the one and only education of mankind, through morality, to freedom.

APPENDIX.

RELAY SYSTEM.

MARX says in *Das Kapital*, trans., vol. i., p. 266; original third edition, p. 273:—"As the law of 1833 left it optional with the lords of capital, during the fifteen hours, from 5.30 a.m. to 8.30 p.m., to make every 'young person' and 'every child' begin, break off, resume, or end his twelve or eight hours at any moment they liked, and also permitted them to assign to different persons different times for meals, these gentlemen soon discovered a new 'system of relays,' by which the labour horses were not changed at fixed stations, but were constantly reharnessed at changing stations."

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